

Agricultural Outlook

AO-48 October 1979

U.S. Department of Agriculture
Economics, Statistics, and
Cooperatives Service





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Outlook in Brief

The economy now appears to be in a mild recession. Real Gross National Product (GNP) declined 2.3 percent (annual rate) in the second quarter of 1979 from first quarter 1979. Despite preliminary evidence of a possible third quarter rebound, negative real growth is expected to resume during the fourth quarter. Inflation continues to be a major economic problem.

A tightening of the world grain situation is still in prospect for 1979/80. Grain production abroad is likely to decline 6 percent this year. Foreign grain utilization will probably increase about 1 percent and foreign stocks are likely to be drawn down sharply.

Record production of feed grains and oilseeds is foreseen in the United States this year. High per-hectare yields for row crops are expected and the area planted with oilseeds and cotton was increased. The corn crop is estimated at 184.6 million metric tons (7.27 billion bushels), 2 percent more than last year's record. Feed grain production is forecast at 221 million metric tons.

Production of oilseeds will be nearly 70 million metric tons, 20 percent more than last year. The cotton crop also will be significantly larger than last year's.

Farmers' gross income should reach a new record of more than \$140 billion in 1979, as strong export demand continues for farm commodities. Prices for livestock and crops will average higher than last year despite large crops and increases in production of hogs and poultry. While livestock prices dipped during the third quarter of 1979, the

average prices for 1979 are expected to be nearly 20 percent higher than 1978 with the crop price index likely to average about 9 percent higher.

Livestock receipts are forecast to increase \$7 billion. Crop receipts will rise \$10 billion, the first large annual increase since 1974. Production expenses will be \$112 billion, 14 percent higher than last year. Net farm income will be about \$30 billion, the second largest on record and 8 percent higher than 1978.

Food price declines have had a moderating effect on inflation in recent months. Grocery store prices dropped 0.3 percent in August following declines of 0.1 percent in both June and July.

The decrease, as in the previous 2 months, was due to a sharp decline in the price index for meats, poultry, fish, and eggs. Since May, grocery store prices have been declining at a 2-percent annual rate while the Consumer Price Index (CPI) for all items—except food—has been increasing at a 15.4 percent annual rate.

While food prices are not expected to continue declining throughout the balance of 1979, increases in the fourth quarter are likely to be moderate. Retail pork and poultry prices will continue to decline through the remainder of the year, reflecting larger supplies. Fruit prices should decline seasonally. Prices for fresh vegetables should remain below their high first quarter levels, but potato prices likely will exceed year-earlier levels.

Prices of dairy products probably will rise during the rest of 1979, but not as much as in late 1978. Retail prices for cereals and bakery products are expected to increase at about the rate of inflation in the general economy, primarily because of increases in marketing costs.

The current assessment indicates that retail food prices in 1979 will average about 11 percent higher than in 1978. Farm value of the market basket of domestically produced farm foods should average 11 to 13 percent above last year, accounting for about two-fifths of the yearly boost in grocery store prices (food at home).

The farm-to-retail price spread should average 11 to 12 percent higher and account for about half of the rise. Prices for fish and imported food will be about 6 percent higher, accounting for the remaining tenth. Food-away-from-home prices are expected to average about 11 percent higher this year than in 1978.

The 12-week grain millers' strike at Duluth-Superior was finally settled in late September. However, the port shutdown and barge traffic delays on the Mississippi River curtailed grain movements in the Upper Midwest and Northern Plains States.

A strike against the Rock Island Railroad began in late August.

The President invoked the National Railway Labor Act to force strikers back to work for at least 60 days. In a related action, the Interstate Commerce Commission implemented a direct service order to other railroads to operate the lines.



General Economy

The economy continued to weaken in August as real output declines and unemployment increased. Negative real growth in the second quarter has been revised upwards to a 2.3 percent decline (annual rate). Preliminary evidence suggests slightly positive real GNP growth for the third quarter. The preliminary figures are seen as a transitory "growth bubble" on an otherwise downward trend. Negative real growth is expected to resume in the fourth quarter. The business cycle is expected to turn upward in the first or second quarter of 1980.

Real GNP growth is expected to average 1 or 2 percent higher in 1979 than in 1978. The unemployment rate is expected to average about 6 percent for the year. Inflation, as measured by the Consumer Price Index (CPI-U), is expected to be about 11 percent this year. A sluggish 1980 economy is forecast.

Unemployment Rises

Earlier weakness in the auto industry and durable goods sector is now spreading to other sectors of the economy. The unemployment rate rose in August to 6.0 percent from 5.7 percent in July. The number of employed persons dropped in both construction and manufacturing. Employment declined in automobiles, electrical equipment, machinery, and metals. For nondurables, employment declines were registered

in food processing, apparel, and rubber and plastics.

In contrast, employment rose in the service-producing sector. Gains were made in trade, government, finance, insurance, and real estate. This situation highlights the increasingly service-oriented nature of the U.S. economy. Consumer expenditures on services have risen from 39 percent of total real consumption in 1950 to 46 percent in 1978. Employment in the services industry has risen from 13 percent of total employment in 1950 to 18 percent in 1978.

Economic Outlook Mixed

As unemployment rose in August, unit retail sales fell 0.4 percent and real personal income fell 0.7 percent. Industrial production in August declined 1.1 percent from July.

Housing starts continued to show strength in the face of high interest rates. August starts of 1.78 million units (annual rate) showed little change from July's 1.79 million units.

Auto sales continued to rebound. August sales were at an annual rate of 11 million units compared with 10.5 million in July and 9.4 million in June. This recovery is likely a result of dealer incentives and cash rebates being used to liquidate inventories. These clearance sales could come at the expense of next year's models so that 1980 could be a slow year for autos.

Unit retail sales have fallen almost continuously since the end of 1978. Inflation is continuing to erode consumer incomes, as personal income in constant dollars fell in August for the sixth consecutive month.

For 1978, real corporate profits of \$95.8 billion were just beginning to catch up with levels attained in the late 1960's. Erosion of real profits has resumed in 1979, with first quarter profits of \$96.5 billion (annual rate) slipping to \$92.7 billion in the second quarter. Corporate profits as a percent of national income peaked at 14.2 percent in 1950 and were 9.4 percent in 1978.

Tight Money May Hurt Housing Market

A tighter monetary policy is seen as one part of the long run anti-inflation program. However, at this point in the business cycle higher interest rates may discourage house sales. A decline in housing deepened the 74-75 recession, when private starts fell from a high of 2.42 million units (annual

rate) in the second quarter of 1972 to a low of 0.98 million units in the first quarter of 1975.

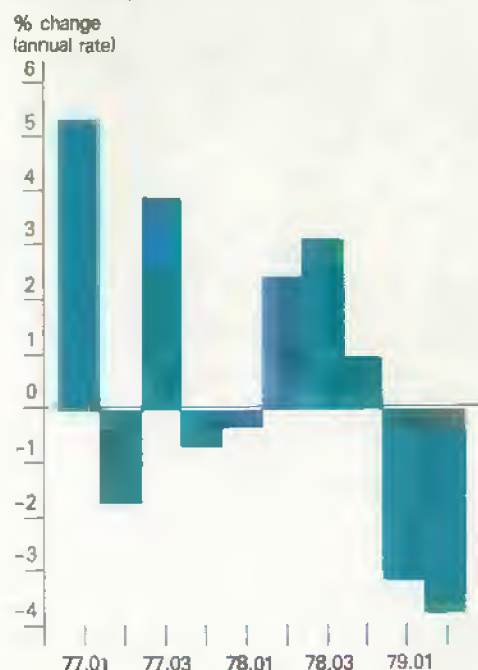
A mild recession (soft landing) would be consistent with housing starts falling from the cyclical peak of 2.1 million units in the second quarter of 1978 to an expected low of about 1.5 million units by the end of 1979.

With a consensus that the economy is sluggish, a number of proposals have been generated for stimulation through a tax reduction. In a shift from traditional consumer demand oriented fiscal policy, about one-half of such a cut could be designed to stimulate savings-investment behavior.

Productivity growth is one key to unlocking a cost-push inflationary spiral. Incentives for encouraging new capital formation are seen as important ingredients in a non-inflationary fiscal stimulus. Investment tax credits, accelerated depreciation allowances, and tax exemptions for interest income are on the list of policy alternatives.

Although these policies would provide an immediate stimulus to the investment component of aggregate demand, it might be two years or longer before new industrial capacity would come on line. A more immediate impact might be obtained by lowering Social Security taxes, which are shared equally between employer and employee. In addition to stimulating consumer demand, this would ease the cost squeeze faced by many industries. Arguments against lower Social Security taxes include concern over the fund's solvency.

Productivity Declines



BLS index of output per man-hour, private non-farm.



Food and Marketing

The current assessment indicates that retail food prices in 1979 will average near 11 percent higher than in 1978. Food price increases in the fourth quarter are expected to be moderate.

The weakening economy will likely result in slowing the demand for some food products. Falling real incomes and rising unemployment will lessen demand for the more expensive meats. The recession and higher gasoline prices should slow the demand for food eaten away from home.

The farm value of the market basket of domestically produced farm foods is expected to average 11 to 13 percent above last year, accounting for about two-fifths of the yearly increase in grocery store prices (food at home). The farm to retail price spread is expected to average 11 to 12 percent higher and account for about half of the rise. Prices for fish and imported food will be about 6 percent higher, accounting for the remaining tenth. Food away from home prices are expected to average about 11 percent higher this year.

Retail pork and poultry prices will continue to decline. Beef supplies are expected to decline, but larger supplies of both pork

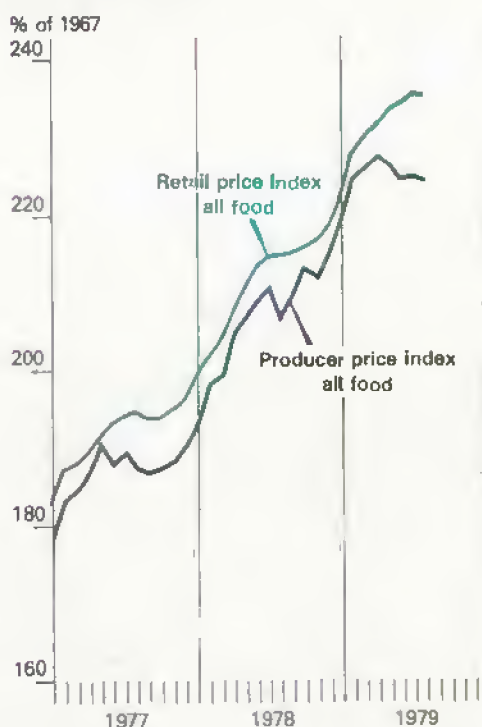
and poultry will hold down any beef price increases.

Prices of dairy products will likely rise during the rest of 1979. However, the second-half increase this year may not quite match those of 1978. Output during the rest of 1979 is expected to be up slightly from a year earlier.

Prices for fresh vegetables are expected to remain below their high first quarter levels but potato prices will likely exceed year-earlier levels. Fresh fruit prices are expected to decline seasonally through the remainder of the year. Total noncitrus production will be about 5 percent higher than in 1978 with record crops expected for apples, sweet cherries, grapes, and nectarines. In addition, a larger citrus crop than last year is expected.

In the fourth quarter, retail prices for cereals and bakery products are expected to increase at about the rate of inflation in the general economy. Increases in marketing costs rather than farm prices for food grains are the primary sources of retail price increases. The strong export demand for grains will affect retail prices only minimally. The farm value of cereals and bakery products accounts for less than one fifth of the final retail price.

Food Prices Decline



Retail Food Prices Are Unchanged in August

The Consumer Price Index (CPI-U) for food was unchanged from July to August on a seasonally adjusted basis. Food at home fell 0.3 percent, the third consecutive monthly decline. Food away from home increased 0.7 percent. The August all food index is 9.7 percent higher than in August 1978.

The major causes of the August leveling were large declines for meats, poultry, and eggs, primarily a reflection of increased supplies of pork and poultry. However, these were partially offset by significant increases for cereals and bakery products, apples, lettuce, and coffee.

On a non-seasonally adjusted basis, food at home fell 0.7 percent in August. A 2.5 percent decline in the farm value was the primary cause of this decrease. In addition, the farm to retail price spread fell 0.2 percent, the first monthly decline since December 1978. However, even with this decline, the price spread has increased at a 17.5 percent annual rate during the first 8 months this year. This compares to a 13.8 percent annual rate of increase for the total CPI over the same period.

PL-480 Agreement Signed With Nicaragua

A Public Law 480 Title I agreement was signed with Nicaragua providing for the sale of \$2.6 million worth of U.S. wheat and/or wheat flour.

The U.S. Department of Agriculture said the convertible local currency credit agreement provides for the sale of 15,000 metric tons of wheat and/or wheat flour. The supply period is U.S. fiscal years 1979 and 1980. Sales will be made on a competitive bid basis by private U.S. traders. Purchase authorizations will be announced as issued.

Nicaragua agreed to carry out a number of agricultural self-help measures, including development programs in poor rural areas, such as providing improved access to markets for small acreage farmers and increased employment; expanding agricultural credit to increase farmers' access to seed, fertilizer, pesticides and hand tools; expanding farmer training programs; and providing education, nutrition and health programs—including potable water and sanitation—to the poor rural population.



Agricultural Economy

Farmers' gross income is expected to reach a record \$142 billion in 1979. Production expenses are expected to be \$112 billion. Net farm income will be about \$30 billion, the second highest on record and 17 percent higher than 1978. Higher prices for livestock and crops, despite the large crops and an increase in the production of hogs and poultry, have increased cash receipts well above last year. Demand for farm products has continued strong, especially products for export.

Market prices, loan rates, and target prices

	Corn	Soybeans	Wheat	Cotton
	\$ per bu.		\$ per lb.	
Season average price				
1977/78	2.02	5.88	2.33	52.3
1978/79	2.20	6.75	2.94	58.8
1979/80 proj. . .	2.40	5.75	3.50	3.60
	2.70	6.50	4.25	3.90
Loan rate	2.00	4.50	2.35	50.2
Target price . . .	2.20	—	3.40	57.7

¹ Average to April 1, 1979. ² USDA is prohibited by law from projecting cotton prices.

Record Production of Feed Grains and Oilseeds Expected

Weather in the United States during September was generally favorable for high per-hectare row crop yields. The area of oil-

CROP PRODUCTION, USE, AND ENDING STOCKS

Crop	1977/78	1978/79	1979/80 Projected
Million metric tons			
Corn			
Production . . .	163.2	179.9	184.6
Domestic use . .	108.2	121.3	125.5
Exports	49.5	55.2	63.5
Ending stocks . .	28.0	31.4	27.1
Soybeans			
Production . . .	48.0	50.2	59.2
Domestic use . .	27.3	29.9	32.0
Exports	19.1	20.7	22.5
Ending stocks . .	4.4	4.4	9.0
Wheat			
Production . . .	55.4	49.0	57.8
Domestic use . .	23.1	23.4	23.5
Exports	30.6	32.5	38.1
Ending stocks . .	32.0	25.1	21.3
Cotton			
Production . . .	3.13	2.36	3.09
Domestic use . .	1.42	1.36	1.35
Exports	1.19	1.35	1.31
Ending stocks . .	1.16	0.87	1.33

Farmer-Owned Reserve: Status on September 28

Commodity	Release ¹		Call ²		Quantity in the Reserve		Quantity Redeemed September 28
	Price ³	Date	Price ³	Date	Originaly	September 28	
Million bushels							
Wheat	\$3.29	May 16	¹ \$4.11	—	413.2	253.5	159.7
Feed Grains							
Barley	2.04	June 5	2.28	June 26	41.2	32.6	8.6
Corn	2.50	4	2.80	—	732.1	540.4	191.7
Oats	1.29	Sept. 30	1.44	—	39.3	30.9	8.4
Million hundredweight							
Sorghum	4.24	Sept. 6	4.75	—	44.4	28.3	16.1

¹ Release means farmers may repay CCC Price support loans and redeem or sell grain without penalty, but are not required to do so. ² Call means farmers must repay loans 30 days after notification, unless extended because commercial storage or adequate transportation is not available. Assessments to determine extensions are made for each county. ³ Prices are per bushel except for sorghum, which are per hundredweight. Release prices levels are 125 percent of loans rates for the feed grains and 140 percent of the loan rate for wheat. Call Price levels are 140 percent of the loan rates for the feed grains and 175 percent of the loan rate for wheat. ⁴ Corn release was ended July 31.

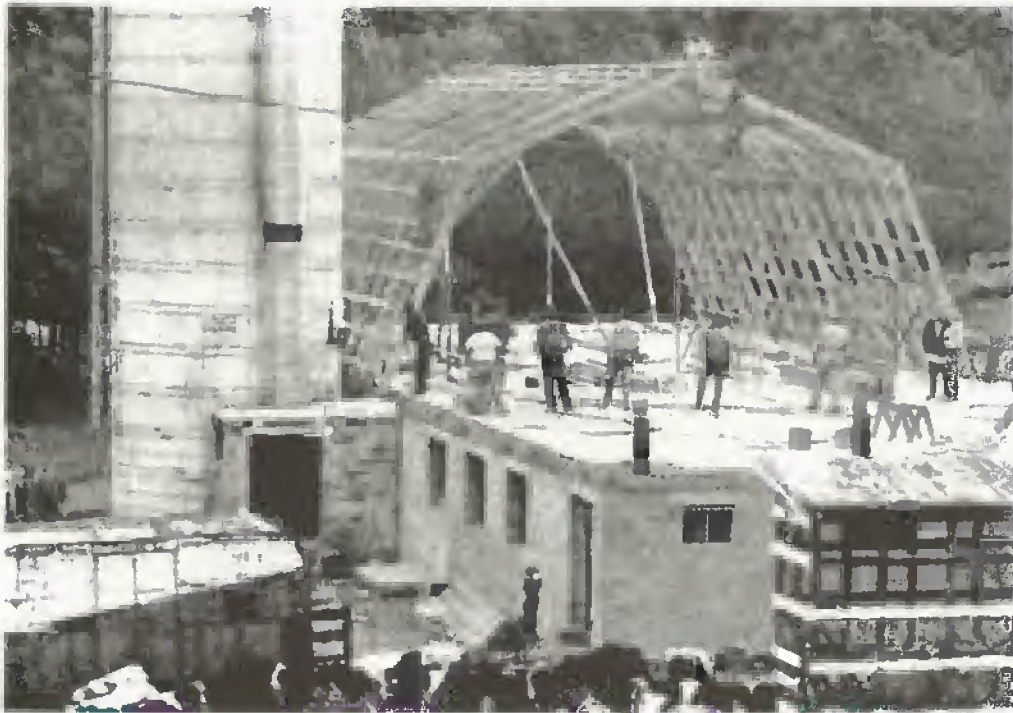
seeds and cotton to be harvested will be larger than last year. Consequently, record production of feed grains and oilseeds is expected.

The corn crop is expected to be 184.6 million metric tons (7.27 billion bushels), 2 percent more than last year's record. Feed grain production is forecast at 221 million metric tons, 2 percent higher than 1978.

Production of oilseed, including sunflower will be nearly 70 million metric tons, 20 percent more than last year. The cotton crop also will be significantly larger than last year.

Demand for grains and oilseeds is expected to continue strong despite slow U.S. and world economies. While U.S. domestic uses will increase moderately, 1979/80 exports, especially grains, will increase sharply. Prices for 1979/80 grains will be well above the averages for last year.

Barley, corn, oats, sorghum, and wheat released from the farmer-owned reserve this year. As of September 28, farmers had redeemed 26.2 percent of the corn, 36.2 percent of the sorghum, 20.9 percent of the barley, 21.4 percent of the oats, and 26.2 percent of the wheat.



Farm Income Trends and Prospects

Steven Guebert
C.W. Cobb
National Economics Division

Farmers' gross income has risen sharply during the past two years and will exceed \$140 billion in 1979, a new record and twice that of 1972. The two-year rise since 1977 follows several years of slow growth—the average annual increase was less than \$2 billion from 1973 to 1977—and will just fall short of the unprecedented \$38 billion increase from 1971 to 1973.

Overall, cash receipts from farm marketings will increase \$16 to \$20 billion in 1979.¹ Livestock receipts were increased sharply during most of 1978 and the first half of 1979—largely as a consequence of higher prices. While livestock prices have declined some since May, they continue well above last year. For the year, prices will

¹Cash receipts from sales of farm-produced commodities, after adjusting for changes in farm inventories and adding government payments, usually account for about 90 percent of gross farm income. Farm operators receive additional cash income in the form of machine hire, custom work, and similar activities. Nonmoney items such as the rental value of dwellings and the value of farm products consumed by farm households also represent a form of income going to farm residents. Including these nonmoney items allows a comparison of the personal income of farm and nonfarm residents. It should be noted that expenses associated with the nonmoney items are included in production expenses. These elements do not significantly alter the year-to-year movement in net farm income.

average nearly 20 percent above 1978. Cattle herd rebuilding is having a negative influence on meat production. Total livestock marketings will be lower than in 1978. Beef production will be down about 13 percent. Still, 1979 livestock receipts will be \$7 billion higher than last year.

Crop receipts are expected to increase substantially in 1979 for the first time since 1974. Strong demand, especially from

abroad, has strengthened grain and soybean prices. Receipts for each of the three leading cash crops—soybeans, corn, and wheat—are expected to increase \$2 billion. Total crop receipts will rise about \$10 billion.

Sales of grain redeemed from the farmer-owned reserve have increased marketings and added to cash receipts². Sales of grain from the reserve and the expected record harvest likely will result in record crop marketings for both calendar 1979 and the 1979/80 crop year.

Improved grain prices and generally favorable weather this year will result in reduction of direct government payments to farmers to less than 1/2 the \$3 billion of 1978. January-through-August payments have totaled \$0.9 billion compared with \$1.5 billion for the same months in 1978.

Total livestock receipts exceeded crop receipts in 1978, reestablishing a relationship that had held continuously from the 1920's to 1973. Cattle, hog, and broiler producers received higher prices and earnings during 1978 and the first half of this year, largely as a result of smaller beef production and strong consumer demand.

While events during the final quarter of this year may significantly alter 1979 crop receipts, current indications are that crop receipts will increase relatively more than livestock receipts during the current calendar year.

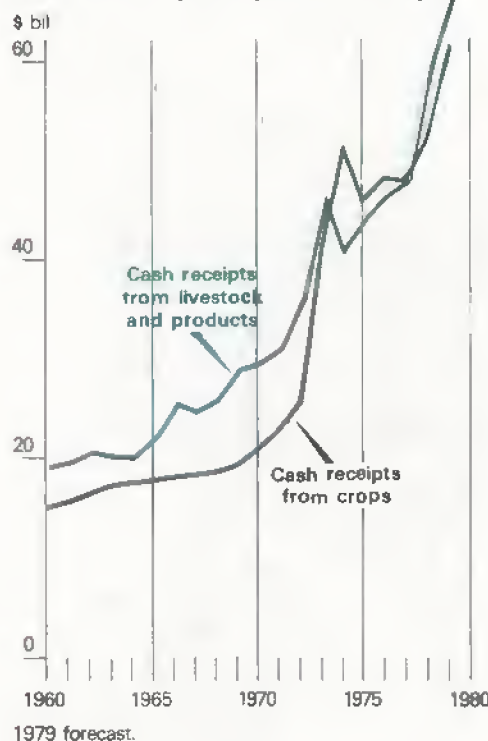
Production Expenses Rise

Over the 1968-78 decade, production expenses rose nearly \$60 billion to \$98.1 billion—an increase of 148 percent. Most of the increase was due to higher prices. The index of prices paid by farmers for production items—including interest, taxes, and wage rates—increased 122 percent. While the price index is not all inclusive, this suggests that the quantity of farm inputs increased only about 12 percent.

The input mix has shifted to reflect a more capital-intensive agriculture. This is revealed by the increasing importance of interest and depreciation. These two items account for a significantly greater share of farmers' expenses than they did a decade ago. Seed purchases, including bedding plants, have also increased substantially due to both quantity and price increases.

²The amount added to cash receipts is estimated by multiplying the quantity redeemed by the difference between the loan rate and the current farm price.

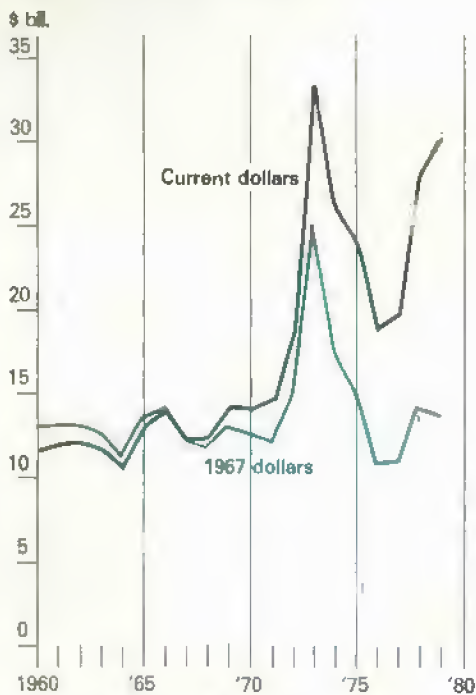
Livestock Receipts Stay Ahead of Crops



Hired labor has decreased most in terms of its relative share of the production expenses. Property taxes have fallen in relative importance despite large increases in real estate values. The amount of land in farms has been declining; and tax rates have increased relatively less than most input prices.

Net farm income is forecast to be \$30 billion in 1979—an increase of 8 percent over 1978's. A net income of \$30 billion would be the second largest on record. In

Net Farm Income Improves



USDA Offers Farm Facility Loans For Solar Grain Drying Systems

Grain farmers across the country are now eligible for government loans to build solar grain drying systems.

The loans will be available to producers under the same terms and conditions as other farm facility loans administered by USDA.

The USDA action was taken to encourage the conservation of fossil fuels by using renewable energy sources wherever possible. Conventional grain drying methods use large amounts of liquid petroleum gas and natural gas. Producers can apply for these loans through their USDA county offices. Farming Update

constant purchasing power, net farm income has been virtually constant for many years. Nonetheless, the improved income of the past two years represents a significant recovery from the pattern which had existed from 1973 to 1977.

Equally important as the level of aggregate net farm income are some of the trends underlying the source and distribution of total income earned by farm households. Over the past two decades, large farms have been growing in number and also in proportion of farm sales and net farm income. Another important development during this period of time has been the upward trend in the share of income of farm households earned from non-farm activity.

Sales By Farm Size

Sharp rises in productivity in agriculture since World War II have been accompanied by a substantial drop in the total number of farms from about 6 million in 1945 to less than half that in recent years.

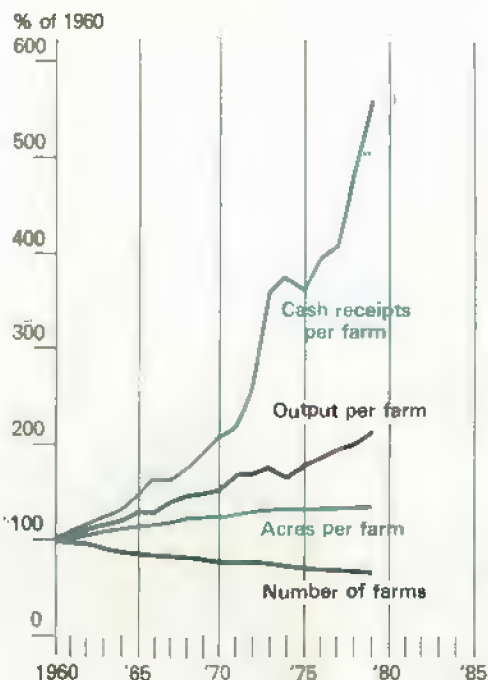
Farms with sales of \$20,000 and over have been increasing absolutely as well as relatively. They numbered 340,000 in 1960, 9 percent of the total, had over half (\$18.1 billion) of total cash receipts and 34 percent (\$3.8 billion) of net income before inventory adjustment. By 1978 they were nearly 34 percent of total farms with over 90 percent of cash receipts and over 82 percent of net income.

Size of Farms Increases

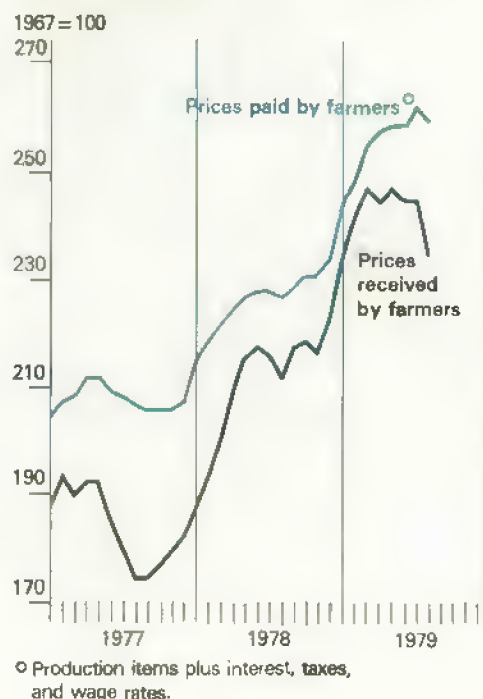
The farms with value of sales of \$200,000 or more have been growing the fastest in number and importance, increasing from 16,000 in 1969 to 63,000 in 1978. In 1969 these farms accounted for less than 1 percent of all farms but for over 20 percent of the total value of all farm products sold. By 1978, these farms represented over 2 percent of all farms and had increased their share of farm products sold to nearly 40 percent. Over this period the proportion of net farm income before inventory adjustment accruing to these farms climbed from under 9 percent to over 18 percent.

Farms with sales of \$100,000 to \$199,999 numbered 35,000 in 1969 and accounted for \$5.3 billion in cash receipts out of a total of \$52.5 billion. In relative terms, this group in 1969 comprised about 1 percent of all farms and accounted for 10 percent of cash receipts and 6.5 percent of net farm income before inventory adjustment.

Higher Prices and Greater Productivity Contribute Most To the Rise in Cash Receipts per Farm



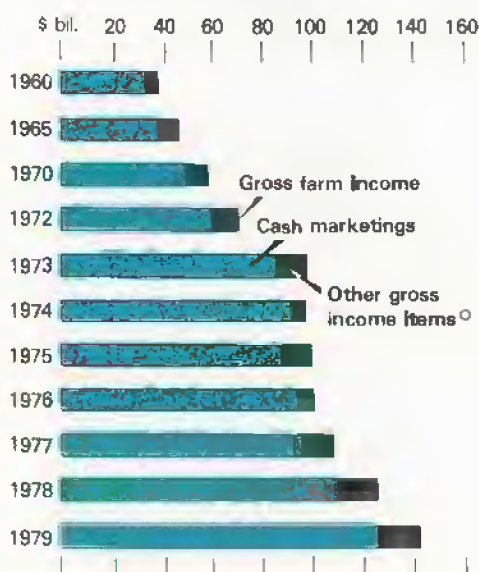
Prices Received and Paid by Farmers Up from Last Year



By 1978, farms this size had increased 254 percent to 124,000 farms. Their relative share of cash receipts and net income had risen to 17 percent and 18 percent, respectively.

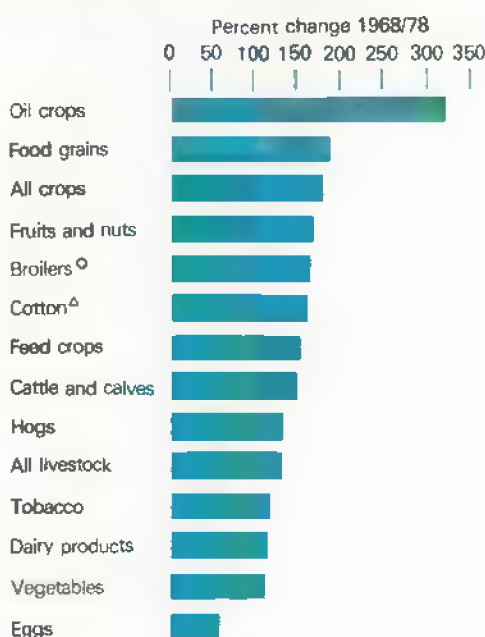
In 1960, an estimated 90,000 farms with sales of \$40,000 to \$99,999 accounted for

Cash Marketings Up Sharply for Second Year in a Row



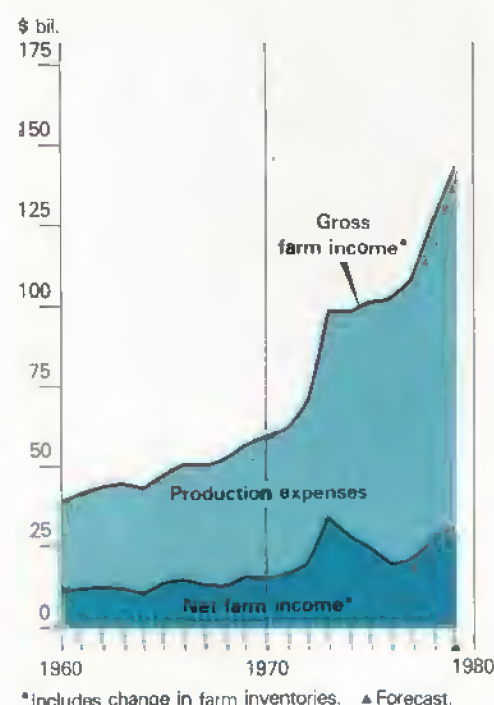
Includes government payments, value of farm products consumed in farm households, rental value of farm dwellings, income from recreation, machine hire and custom work, plus the value of farm inventory changes.

Oil Crops Biggest Cash Receipt Gainer of Past Decade



^o Includes farm chickens. ^Δ Includes lint and seed.

Farmers Gross More, Expenses Rise Less



* Includes change in farm inventories. ▲ Forecast.

\$5.5 billion in cash receipts out of a total of \$35.2 billion for all farms combined. So this group comprised 2 percent of all farms and received about 16 percent of total value of all farm sales. Also, this same group of farms earned \$1.2 billion or about 11 percent of total net income. By 1978, farms in this group numbered 390,000, a 333 percent increase since 1960. Their share of net farm income before inventory adjustment rose from 11 to 32 percent of the total during the same period.

At the other end of the spectrum, farms with sales of less than \$20,000 have declined rapidly, as has their share of production and income. In 1960 for example, 91 percent (3,623,000) of all farms were in this classification. They had nearly 50 percent of cash receipts and about 66 percent of net income. By 1978 their numbers had dropped

by 1,851,000 but still represented two-thirds (1,772,000) of all farms having only 9 percent of cash receipts and 18 percent of net income.

Off-Farm Income

On the average, farm family earnings from farming exceed their off-farm income³ in all the sales class groups with sales of \$20,000 or more. Off-farm income exceeded farm income for all group classifications with sales below \$20,000.

In 1978, off-farm income ranged from a low of about \$6,800 per farm operator family with farm sales from \$40,000 to \$99,999, to a high of about \$17,200 per farm operator family with farm sales less than \$2,500. The average was \$12,829 for all farms. Families operating farms with sales of \$100,000 and over earned about \$10,900 from off-farm sources in 1978, or about 17 cents of each dollar of total family income. As the scale of farming operations declines, off-farm income becomes a larger part of total farm family income.

Prices Received Influence Receipts

Changes in prices received by farmers have an important influence on cash receipts from farm marketings. This, in turn, directly affects changes in the distributions of farms and farm family income by value of sales classes. In 1973 and 1978 this is particularly

noticeable because prices received rose by 43 percent and 15 percent, respectively. To illustrate how this bears on the income distribution, consider a farm which grossed about \$100,000 in 1960. By 1978, this same farm with about the same volume of marketings would gross over \$200,000 because prices received have more than doubled since 1960. The index of prices received by farmers (1967=100) below shows the pattern during the period covered by the farm income distributions.

October Situation Report Schedule

Situation reports which will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Rice	October 3
Livestock and Meat	October 11
Dairy	October 12
Fats and Oils	October 26
Ag Supply and Demand	October 29

Single copies of the above reports may be obtained by writing to: ESCS Publications, Room 0054, South Building, USDA, Washington, D.C. 20250.

³ Income from off-farm sources includes all income received by farm operators and family members from sources other than the farm operated. When estimates of income from off-farm sources are combined with estimates of farm income and compared by value of sales class of farm, the total farm family income picture is revealed.



Commodity Highlights

Oilseed Crops: Production of oilseeds will set a new record this year. Based on conditions through September 1 indications, total oilseed production will be nearly 70 million metric tons, 20 percent above last year. Soybeans will account for about 85 percent of total production, with cottonseed and sunflowerseed also contributing. Peanut and flaxseed production is little changed from a year ago. Area harvested is estimated at 91 million acres (37 million hectares), 13 percent above 1978.

Harvested area increased sharply for sunflowerseed. Production is estimated at 3.3 million metric tons, up more than 80 percent from 1978. Sunflowerseed estimates are for the four major-producing States of Minnesota, North Dakota, South Dakota, and Texas. Production from other States will push the total even higher. The dramatic increase in production results from a growing interest in sunflowerseed as a major oilseed crop. New hybrid varieties, which increase the potential for better yields along with good demand for a premium vegetable oil are making sunflowers another cropping alternative for many U.S. farmers.

Soybean and cottonseed production is expected to be up 18 percent and 28 percent, respectively, with increased area and favorable yields accounting for the boosts.

The 1979/80 U.S. soybean supply is estimated about 18 percent above last year. The demand for soybeans and products will continue strong, at least through the first half of the 1979/80 marketing season. U.S.

farmers are the only major producers with soybeans to sell until South American crops enter world markets next spring.

Although domestic crush and exports of soybeans are expected to rise to new highs, the increase will not match the sharp expansion in output. As a result, a sharp buildup in carryover stocks is anticipated by September 1980, possibly around 330 million bushels—about double stocks last September 1.

Farm level prices during harvest will likely drop a little. Good crushing and export demand during the first half of the season is expected to keep the decline small.

Feed Grains: Production is forecast at a record 221 million metric tons, 2 percent more than last year. Corn production is expected to total 184.6 million metric tons (7.27 billion bushels), 2 percent above the record set last year. Sorghum production is up 9 percent. Production of oats and barley will be lower.

Corn prices at the farm will average \$2.40 to \$2.70 in 1979/80, up from \$2.20 in 1978/79. Prices for oats, sorghum, and barley will also be higher than last year.

Strong export and domestic demand is causing the higher prices, even though supplies are record large. Exports are expected to rise 15 percent above the current record level. Higher prices will moderate expansion of U.S. livestock feeding and slow increases in domestic use. Yet total annual use is expected to reach 228 million metric tons, cutting stocks sharply by next summer.

Sugar: The September forecast of 1979 sugarbeet production was 21.9 million short tons, 15 percent lower than 1978. Consequently, beet sugar output will be down considerably from last season. However, cane sugar output is expected to be slightly above last season. Sugar production for 1979/80 is expected between 5.21 and 5.61 million tons, compared with last season's 5.86 million tons. Use in 1979 is estimated to be 10.7 million tons, somewhat below last year.

Oilseed Production Increases

	Area Harvested		Yield		Production	
	Million Hectares		Metric tons/HA		Million metric tons	
	1978	1979	1978	1979	1978	1979
Soybeans	25.5	28.5	1.97	2.08	50.1	59.2
Cottonseed	5.0	5.3	.78	.94	3.9	5.0
Sunflowerseed	1.2	2.2	1.54	1.48	1.8	3.3
Peanuts	0.6	0.6	2.96	3.01	1.8	1.8
Flaxseed	0.3	0.4	0.80	0.78	0.3	0.3
Total oilseeds	32.6	37.0	1.78	1.88	57.9	69.6

Domestic wholesale and retail refined sugar prices were relatively stable in the first half of 1979, rising less than 2 percent. By December, wholesale and retail refined sugar prices may be 3 to 5 percent higher than in January. Current prospects for 1979/80 world sugar output indicate a range of 88 to 92 million metric tons (raw value). With world consumption estimated at 91 million tons, a reduction in presently large stocks appears likely, pointing to further strengthening of world and domestic sugar prices.

Tree Nuts: The 1979 crop of the four major edible tree nuts—almonds, filberts, pecans, and walnuts—is estimated at 635,000 tons (in-shell basis), up more than 40 percent from last year's small crops. Substantially larger crops of almonds and walnuts lead the increase. California's almond production is estimated to be 93 percent larger than last year and 12 percent more than the previous record crop in 1977.

World demand for U.S. almonds is expected to be extremely heavy. About 60 percent of U.S. almonds are sold abroad. Spain and Italy, the other major almond producing countries, are expecting sharply reduced crops. Consequently, even with record production, prices for the 1979 crop are not expected to fall appreciably. The average price received by almond growers for the 1978 crop was an alltime high of \$1.40 per pound.

California's walnut production is forecast 38 percent above last year's small crop and 14 percent larger than the 1977 crop. New crop prices have not been established yet. With the prospective larger crop, walnut prices are expected to average below the 1978 level. In addition, larger supplies of almonds and pecans could also weaken walnut prices. Prices received by walnut growers averaged \$1,290 a ton for the 1978 crop, compared with \$731 in 1977.

The pecan crop is pegged 2 percent more than last season. Sharply larger production in Alabama and Texas more than offset

sharply smaller production in Georgia. Filbert production in Oregon and Washington is forecast 25 percent less than last year's crop and 11 percent below 1977.

Processed Vegetables: Output of seven major processing vegetables is expected to be 11.3 million tons, 11 percent larger than a year earlier. Much of the increase is coming from the California tomato crop, but the production of all the major processing crops, except sweet corn and pickles, is expected to be higher. These gains indicate larger supplies of canned and frozen vegetables for 1979/80. However, increased costs of processing are expected to keep wholesale prices above year-earlier levels.

Even though heavier supplies of processed vegetables are in prospect, excess stocks for most items are not expected to build up. Certain tomato products and sweet corn could be exceptions, as some packers are offering discounts to retailers.

Stocks of frozen vegetables on September 1 were 10 percent larger than a year earlier with all the leading items except carrots sharing the increase.

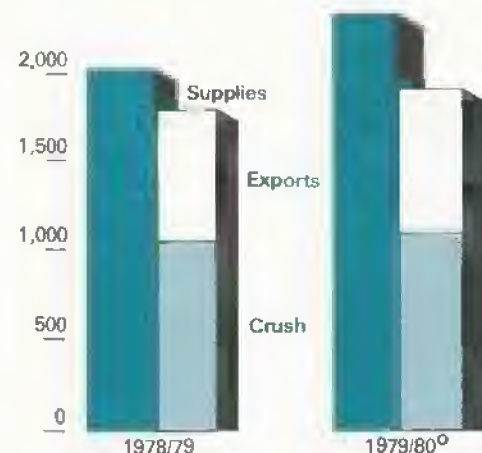
Cotton: Based on September 1 conditions, the 1979 cotton crop is expected to total about 14.2 million bales, 4 percent above the August forecast, and 31 percent above last season. Average yield is forecast at a near-record 525 pounds per harvested acre, up 25 percent from 1978. The Southwest and West account for a record-high 77 percent of expected production.

U.S. cotton disappearance this season may decline to around 12.2 million bales from 12.5 million in 1978/79, reflecting slightly weaker prospects both for U.S. mill use and exports. Although foreign cotton production is expected to increase about 2 percent this season, relatively low carryover stocks abroad helped boost the U.S. export commitment to 4.3 million bales by early September—nearly three-fourths of the season's expected exports of 6 million bales. Domestic mill use could decline to 6.2 million bales in response to weaker economic conditions. However, more competitive cotton prices relative to manmade fibers and an improved textile trade outlook will offset some of the impacts of the economic slowdown.

These early-season forecasts of U.S. cotton production and disappearance indicate that stocks on August 1, 1980, could

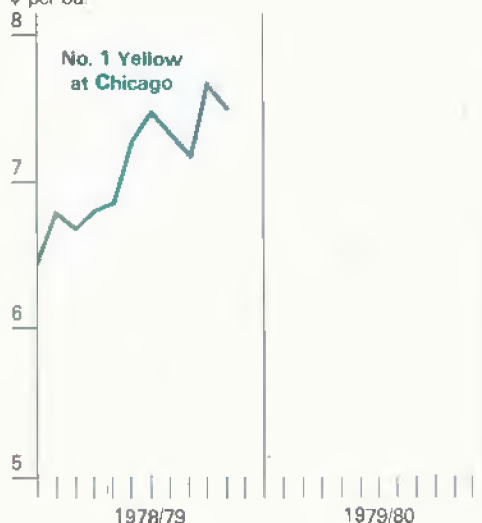
Soybeans: Production Up. Demand Strong

Mil. bu.
2,500



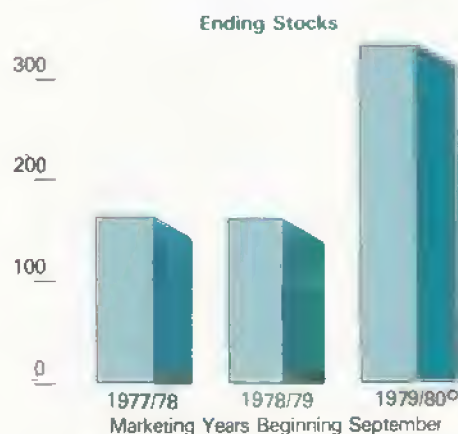
While Prices

\$ per bu.



and Stocks Rise

Mil. bu.
400



^o Estimated.

reach the 6-million-bale level, up sharply from 4 million bales this past August 1 and the highest since the late 1960's.

With the prospect of cotton production sharply exceeding disappearance this season, the target price and loan program under the Food and Agriculture Act of 1977 takes on added importance. Deficiency payments will be made to eligible cotton producers, if the national average farm level price during calendar 1979 is below the target price of 57.7 cents a pound. During the first 7 months of this year, prices averaged 55 to 56 cents a pound.

Tobacco: Progress in harvesting flue-cured tobacco on September 1 was ahead of last year. Crop prospects changed little during August with the crop estimated 16 percent below the 1978 level. By mid-September, roughly two-thirds of the crop had been sold at a record average price of \$1.40 a pound, 4 percent above a year ago. So far, about 5 percent of sales have gone under loan.

Burley production is off 14 percent from 1978 as blue mold has cut output. Some tobacco was harvested early to reduce loss.

Hogs: Large supplies of pork are expected for the rest of 1979 and into the first half of 1980. The inventory of hogs and pigs on farms September 1 was 16 percent greater than a year ago. Market hogs weighing 60 to 180 pounds were up 19 percent. These hogs will be marketed mainly during the fourth quarter of 1979, so hog slaughter this fall may be up 18 to 20 percent. And farmers have said they plan for about 13 percent more sows to farrow this fall and 10 percent more this winter.

The increase in hog slaughter may lower hog prices to about \$35 per hundred pounds during the fall quarter, roughly \$15 below last fall's average price. Retail pork prices are expected to decline slightly during the fall, averaging near \$1.35 per pound, 4 cents below the summer price and 15 cents below the retail price of last fall.

Cattle: Choice steer prices at Omaha are up from the \$58-low in early August to an average of \$68 per cwt. in mid-September. Recent price strength reflects movement of cattle from feedlots at favorable weight and yield grades. Also, a pick-up in retail store demand because of increased beef specializing

activity has helped boost cattle prices.

Fourth quarter fed cattle prices should average near September levels as beef production continues substantially below year-earlier levels. Large pork and poultry production will limit price increases this fall.

Losses on fed cattle currently being marketed, poor profit expectations, and excellent grazing conditions were factors contributing to sharply reduced feedlot placements during the third quarter. Net placements in the seven major States were down about 25 percent in July and August. With this summer's low level of placements and sharply reduced steer and heifer and calf slaughter, current feeder cattle supplies are near year-ago levels.

Yearling feeder cattle at Kansas City have averaged in the low to mid \$80's since mid-August when many feeder cattle are normally marketed. Producers have been able to keep feeder cattle on grass past the usual seasonal grazing decline because pasture and range feed conditions on September 1 were the best since 1961. This year's peak marketings of feeder cattle may be delayed until October to early November.

Retail beef prices are expected to level out and average \$2.25 to \$2.30 this fall after declining from \$2.40 a pound in May to about \$2.23 in August. Competition from large supplies of pork and broilers and reduced consumer spending in a slowing economy are expected to keep beef prices stable despite reduced beef production.

Dairy: Milk production during the fourth quarter will be up from the relatively strong year-earlier levels. While not as pronounced as the third quarter increase (1-3/4 percent), production this fall will be sufficient to moderate further seasonal farm level price rises. However, for the rest of 1979, milk prices will still remain well above year-earlier levels and milk-feed price relationships will be favorable. In recent months, year-to-year gains in output per cow have increased—outweighing the less than 1-percent decline in cow numbers. Production for the year will total about 1 percent more than the 122 billion pounds of 1978 and farm milk prices will average 13 to 14 percent higher.

Commercial use of milk and dairy products was slightly above year-earlier levels during the second quarter, following strong increases since the summer of 1977. Any increases in commercial use during the remainder of the year will be small. Retail dairy prices will continue to increase seasonally as wholesale price increases are more fully reflected at the retail level.

Bergland Announces Public Meetings on "Structure of Agriculture" Dialogue

Secretary of Agriculture Bob Bergland has announced the 10 cities where public meetings will be held in November and December to obtain comments and suggestions on the economic and social issues affecting the structure of American agriculture and rural life.

They are: Nov. 27—Montpelier, Vt.; Nov. 28—Fayetteville, N.C.; Nov. 29—Huntsville, Ala.; Dec. 4—Sioux City, Iowa; Dec. 5—Sedalia, Mo.; Dec. 6—Wichita Falls, Texas; Dec. 11—Boulder, Colo.; Dec. 12—Spokane, Wash.; Dec. 13—Fresno, Calif.; Dec. 18—Lafayette, Ind.

Bergland and other top USDA officials will attend each meeting.

The public meetings are part of the national dialogue on agricultural structure.

The intent of the national dialogue is to develop the most comprehensive package of factual information and recommendations for use in proposing future policies, especially new farm legislation when the current farm bill expires in 1981.

The term "structure" is difficult to define in precise terms. However, it is broadly defined as these issues:

- Number and sizes of farms, and how they vary by region and type of operation.
- Ownership and control of resources, including the form of business organization, its tenure, and its purchasing and marketing arrangements.
- Degree of production specialization and how it affects managerial and technological requirements.
- Barriers to entering and leaving farming.
- Social and economic characteristics of farm operators and owners.

The department is compiling a series of background issue papers with basic facts and statistics outlining the major questions involved in structure.

Critical areas where solid, factual information is lacking will be identified. A research agenda will be developed for these areas, and studies done by the department, universities, foundations and other groups.

Anyone who wants to comment at any of the public meetings should sign up in advance. Those who want to comment, but cannot attend one of the meetings, may send their suggestions to the project coordinator, Structure of Agriculture, USDA, Washington, D.C., 20250.

1978-Crop ELS Cotton Loans May Be Extended 8 Months

Commodity Credit Corporation (CCC) loans on 1978-crop extra long staple (ELS) cotton may be extended for eight months after the regular loan maturity date, at the option of the producer. Producers wishing to extend loans should contact their county Agricultural Stabilization and Conservation Service offices.

An 8-month loan extension will permit producers to sell most of their cotton under loan and is in line with the policy of keeping stocks under producer control to the maximum extent possible.

Under the program, a loan matures 10 months from the first day of the month in which the loan is made. The bulk of the outstanding ELS cotton loans matured in September and this month.

Production in 1978 totaled 93,000 bales, 19,000 fewer than for the 1977 crop. Through Aug. 29, producers placed 35,256 bales under loan and redeemed 19,240, leaving outstanding loans on 16,016 bales.

Due to strengthened demand resulting from a drop in foreign production, exports for the 1979-80 marketing year are expected to exceed by 5,000 bales exports during the previous marketing year. A decrease of about 2,000 bales in domestic use is expected.



World Agriculture and Trade

The outlook for food and agriculture in the United States has become increasingly dependent on the prospects abroad with the increase in trade and financial interrelationships with other countries. Two major developments vitally affect the outlook at this time—the need for increased food and feed imports in countries where crop production has fallen short, and the slowing of world economic activity with the shock of sharply higher crude oil prices. Commodity prices and farm income in the United States are very sensitive to these developments. This section updates briefly the current outlook for world crop production and trade and world economic activity. A situation with potential future impact on the U.S. trade—the emerging crop production shortfall in India—is discussed in more detail.

Crop Production and Trade

A tightening of the world grain situation is still in prospect for 1979/80. Grain production abroad is likely to decline 6 percent this year. Foreign grain utilization is expected to increase about 1 percent and foreign stocks are likely to be drawn down.

Despite a 5-percent increase in U.S. production to a record 285 million tons, world

grain stocks in 1979/80 are expected to decline 17 percent to 189 million metric tons. Stocks will equal 13 percent of utilization versus 16 percent this last year and 12 percent during the relatively tight 1973-75 period.

The decline in foreign production this year has been concentrated in the USSR, Eastern Europe, and more recently in India. However, the 58-million-ton decline in USSR production from last year's 237 million record accounts for most of the deterioration in the world grain situation.

World trade of wheat, coarse grains, and rice is likely to increase 9 percent to 190 million tons in 1979/80. The expected increase in U.S. exports is 20 million tons—about 3 million tons larger than the net increase in total trade. The USSR will take the bulk of the increase in grain exports, with Japan, Western Europe, and Eastern Europe also increasing their purchases. Imports by China and other countries are likely to decline.

World protein meal production is forecast to increase 13 percent in 1979/80, following a 6-percent increase in 1978/79.

With a substantial increase in U.S. soybean production, the United States will account for about three-fifths of the expected increase in world meal production. Production is also expected to be up in Brazil and Argentina. Thus, the world oilseed situation points to large stocks and some downward pressure on prices.

World cotton production is expected to increase 7 percent from 1978/79's reduced output, with the U.S. crop accounting for most of the rise. Because of the economic slowdown anticipated in some major textile producing nations, utilization may not match last year's volume and no increase is expected for cotton trade. Stocks may rise by 1 or 2 million bales.

India Drought Reduces Output

Because of drought following a poor monsoon in India this year, yields and production of cereals and oilseed has fallen sharply. The smaller output of oilseed crops will probably have more immediate impact

on India's imports of vegetable oils than the setback in food grain production will have on grain trade imports.

The result of very dry weather in August and September was a reduction of 1979/80 rice production to 45 million tons (milled basis)—down 16 percent from the previous season. Coarse grain production is expected to decline to 27 million tons, down 10 percent.

While it is too early to make a good estimate of next spring's wheat crop, wheat yields are usually reduced when inadequate moisture is provided by the preceding monsoon.

Estimates for India's food grain output currently range from 110 to 120 million tons for the crops to be harvested during the 12-month period ending June 30, 1980. Total consumption of food grains is likely to exceed that, rising to about 130 million tons.

While government stocks of food grains provide some cushion—21 million tons during August—they are likely to be drawn down rapidly in the event of a shortfall. The government is now the chief holder of grains. This means that government agencies (fair-price shops) will supply rural areas hit by drought as well as urban areas. So, as demand from consumers for government stocks increases, they could be depleted faster than in similar situations in the last 20 years.

India's foreign exchange reserves are larger than ever before and agricultural policies now favor the urban population and consumer more than in the past. Planners in New Delhi are likely to wait until the outlook for the 1980 wheat harvest is evident in the spring before considering grain imports. Wheat is likely to be the major grain imported since it is less expensive than rice or coarse grains in the world market.

As recently as 1976, India was the largest market for U.S. wheat. Then, about 90 percent of 1976 U.S. wheat exports to India were cash sales and 10 percent were concessional sales financed through P.L. 480.

However, Indian grain crops since have been good, enabling India to reduce imports sharply and begin exporting. India exported over 1 million tons of wheat in recent years, but those exports will decline sharply in early 1980.

India became the leading cash customer for U.S. exports of soybean oil in 1977 and maintained that position in 1978. However,

Brazil captured most of India's import market for soybean oil in early 1979, and purchases from the United States declined to only 100,000 tons. Some additional purchases of U.S. soybean oil might come in late 1979, since Brazil has nearly sold out of its exportable supply of soybean oil until the spring of 1980. Imports of 1.5 million tons of vegetable oils in 1980 might include 600,000 tons of soybean oil, including 300,000 tons from the United States.

Trade policy is strongly influenced by government regulations when prices of a given item are considered to be too high or too low. If world prices for a commodity like sugar are low, programs to bolster distribution in the domestic market are launched and exports are curtailed. Recent trade policy decisions have tended to favor consumers more each year. Now exports of various agricultural commodities are limited or banned if it appears that those exports will contribute to high prices for Indian consumers.

Before India's foreign exchange position climbed to comfortable levels in the mid-1970's, agricultural exports were made to earn foreign exchange even though those exports were detrimental to Indian consumers. This has not been the case since 1976.

Oil Price Rises Accentuate World Economic Slowdown

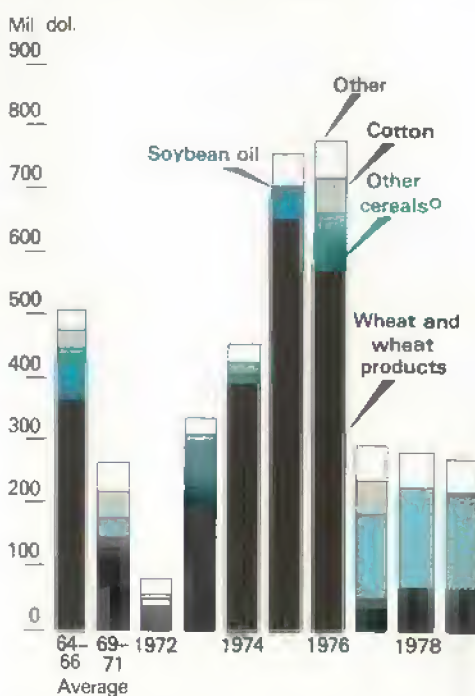
Economic growth projections made by the Organization for Economic Cooperation and Development (OECD) for July 1979-June 1980 period for OECD (industrialized) countries have been reduced to 2.0 percent, lower than any 12-month period since 1975. The expected growth rate is 0.75 percent lower than forecast in June just before the announced OPEC price increases.

Overall economic growth in the non-OPEC developing countries in 1979 is projected at 5 percent, down one-half percentage point from 1978.

Besides slowing overall economic growth, the higher oil prices will increase import costs, raise inflation and interest rates in the industrialized and non-OPEC developing countries, and cause downward pressure on exchange rates for currencies of oil importing countries.

The OECD projects larger deficits on current account for the industrialized countries—a \$40 billion (annual rate) for the last half of 1979, double what was previously forecast. For the first half of 1980 the deficit is projected to decline to an annual rate of \$30

U.S. Agricultural Exports to India



Includes corn, sorghum, rice. 1979 estimated.

billion as slower economic growth reduces overall imports.

The inflation rate in the industrialized countries as a group is expected to be 10 percent (annual rate) in the last half of 1979 and 9 percent in the first half of 1980.

The increase of roughly \$7.50 a barrel for crude oil from December 1978 to July 1979 is expected to add an estimated \$65 billion to the net oil import bill of the industrialized countries. In addition, there will be secondary oil-induced impacts of the prices of other imported commodities, especially manufactured goods.

Though Japan and Germany are expected to have the highest economic growth rates among the major developed countries, both of them are facing decline in their large trade and current account surpluses. Despite its North Sea oil and strong currency, the United Kingdom is facing serious domestic economic problems and is projected to have negative economic growth over the 12-month period. All developed countries have raised their interest rates attempting to counter increases in the money supply and rising inflation rates as well as to maintain exchange rate margins among the European currencies.

The non-OPEC developing countries will also face serious adjustments in 1979 and

1980 as their oil and other import bills rise sharply. Depressed economic conditions in the industrialized countries restrain the growth of their exports because the decrease purchases of raw materials for manufacturing. As combined current account deficits grow to an estimated \$43 billion in 1979, and perhaps to \$50 billion in 1980, individual countries will face the need to draw down accumulated international reserves, restrain imports, increase commercial borrowings, or some combination of these measures.

Some non-OPEC countries—Malaysia, Syria, Egypt, and Mexico—export oil. These countries will benefit from of higher oil export earnings. However, even for them, other costs for imports will rise. Most developing countries, however, import oil at minimum necessary levels to sustain economic production. They have a low level of price elasticity of oil imports and will continue to import oil, like food, as a priority item even at the higher prices.

Oil import costs for 1979 are projected to rise by at least \$7 billion for all oil-importing developing countries. Korea, India, and Brazil will be sustaining some of the biggest increases. These countries are important commercial markets for U.S. agricultural exports.

For the 56 countries currently receiving food aid from the United States, the oil import bill may rise by \$4 billion in 1979. At the same time, these countries will have to add another \$12 billion to their total import bill to cover the higher prices of other imported goods and the normal increase in import volume expected for the year. Though export earnings of the non-OPEC developing countries are expected to rise in absolute level, some commodities may be adversely affected by recession in the United States and slow growth elsewhere. The trade deficit of all non-OPEC developing countries increased sharply from \$29 billion in 1977 to over \$40 billion in 1978, the highest level since 1975.

Financing higher trade and current account deficits in 1979 and 1980 will be expensive as commercial Eurocurrency borrowing rates are around 12 percent. Concessional aid is expected to rise somewhat this year. In addition, the level of the total international reserves was \$72 billion in May, equal to 17 weeks' worth of estimated 1979 imports. Though this aggregate level of reserves is adequate, some countries may face problems financing imports.



Storage and Transportation

The fuel situation for transportation continues to improve although fuel allocations are still below last year's level. Currently, fuel availability is not a serious problem for any of the three major transport modes—rail, truck, and barge—although prices are much higher than last year.

However, the length of this fall's feed-grain and soybean harvest could have a bearing on the availability of diesel fuel. Under favorable weather conditions, large amounts of grain will be harvested and delivered to storage and marketing facilities in a relatively short time. A rapid harvest, along with other farm activities, could deplete fuel inventories in some areas.

Barge Shipments, Railcar Loadings Decline

Weekly barge shipments of grain declined almost 6 percent to 34.8 million bushels during August. Shipments were down by the same margin during the same period last year.

Railcar loadings of grain declined in August from levels earlier in the summer, averaging 29,600 cars per week. However, the August weekly average was slightly above a year ago. Thus far, railroads are

transporting a record volume of grain despite serious railcar shortages.

Strikes Strain Transportation System

Labor strikes at the Duluth-Superior ports and Rock Island Railroad have put additional pressure on the country's already-strained inland transportation network.

No grain was loaded for export from the twin ports during August. The ports loaded almost 37 million bushels of grain during the same period last year. Chicago and Pacific Coast ports appear to have taken up some of the slack caused by the shutdown. Also several railroads have consolidated grain shipments into scheduled unit trains, and have improved car utilization.

Negotiations continued throughout the strike and final agreements were accepted by grain millers in late September. Port authorities estimate that 4 to 5 million tons of grain could be moved out of the twin ports before navigation season ends, usually in mid-December. The Western Great Lakes Ports Association has asked the Administration to extend the December 15 closing date of the St. Lawrence Seaway 10 additional days citing international grain demand, bumper 1979 grain crops and the slowdown caused by the 12-week strike.

The strike against the Rock Island Railroad (RI) began in late August. Supervisory personnel were operating some grain trains, but railcar loadings were running at only a quarter of last year's level.

In 1978, RI transported more than 323 million bushels of grain, or 7 percent of all grain moved by rail. In addition, RI owns more than 6,200 jumbo covered hoppers, 6 percent of the total U.S. railroad-owned fleet. About 1,700 grain elevators are served exclusively by the RI.

After negotiations became stalemated, the President invoked the National Railway Labor Act to force strikers back to work for a 60-day cooling off period. While grain shipments have been given priority status, railroad service will not begin until safety inspections are completed.

In addition, the Interstate Commerce Commission has implemented a direct service order to the Kansas City Terminal Railroad, an organization of 12 lines which mutually own a freight yard, to operate the lines because the Rock Island has been in a

critical financial condition and does not have sufficient funds to finance operations. Formal operations of the RI lines were to begin October 5.

Grain Storage Situation to Tighten

With feedgrain and soybean harvests now here, some grain storage problems are occurring again. Corn and soybean production are forecasted at record highs.

Grain storage problems developed in the Dakotas and Minnesota because the Duluth-Superior strike occurred shortly before the small grains harvest began in those states.

Based on current estimated production and a lowered disappearance level, it appears that several Corn Belt states (Ohio, Indiana, and Iowa) will have grain storage problems this fall. Colorado and Nebraska will also likely have localized shortages of grain storage capacity.

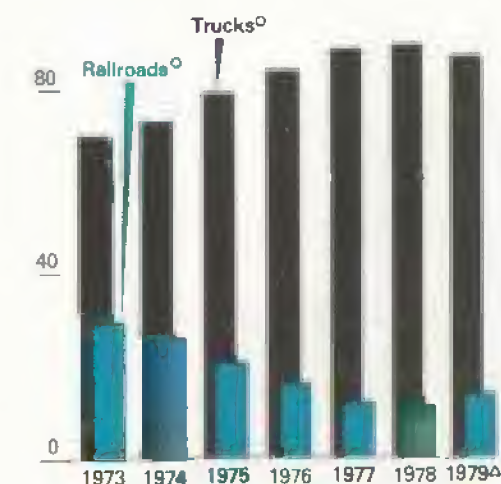
Rail, Truck Rates Continue to Climb

During September, the ICC approved a 1.1 percent fuel surcharge increase. This is the fourth increase granted to railroads since early June and brings the cumulative total to 4.7 percent for fuel-related price increases.

The ICC also raised the fuel rate surcharge that regulated carriers are now paying owner-operators from 9.0 to 9.5 percent. The surcharge represents an increase of 57.6 percent in diesel fuel costs since January 1.

Railroads Haul More Fresh Produce

Percent
120



[○] Share of fresh fruit and vegetable shipments.

^Δ Through August 1979.



Food and Agricultural Policy

A wide variety of food and agricultural issues remained for consideration when the Congress returned from its Labor Day recess. Price and income support levels still remain on the agenda of issues to be considered this fall. Food assistance funding for 1980 will also be debated in the coming months. Current forecasts are that costs for the food stamp program will exceed the legislated spending "cap" established in 1977. Other issues include crop insurance, farm credit, conservation, and energy, particularly gas-ohol.

Announcement of the Administration's decisions must be made for the 1980 feed grain, cotton, rice, and peanut programs. The 1980 wheat program was announced on August 15. In addition the "structure of agriculture" initiative announced by Secretary Bob Bergland will receive added emphasis this fall. The Department begins public meetings on the topic in November.

Legislative Action

The debate on levels of support for producers of agricultural commodities will continue this fall. Bills that would alter the level

of price and income support for grains, cotton, milk, and sugar have been approved by the House Agriculture Committee. Specific legislative actions include:

Price and Income Support: The Food and Agriculture Act of 1977 established wheat and feed grain target prices for 1977 and 1978 and provided an adjustment mechanism for the 1979 through 1981 crops. The procedure adopted took into account changes in the national average cost of producing these crops. In 1978, attempts to revise the 1977 Act resulted in passage of emergency legislation authorizing the Secretary of Agriculture to increase target prices whenever there is a set-aside. This authority was subsequently used to increase the 1978 and 1979 wheat target prices to \$3.40 per bushel. However, without a set-aside, the Secretary cannot use the authority provided by 1978 Act. Thus, adjustment in grain target prices reverts to the formula provided in the 1977 Act.

The wheat program for the 1980 crop was announced in August. No set-aside of wheat cropland will be required next year. Based on the formula provided by the 1977 Act and preliminary cost of production data, the 1980 target price would be substantially lower than in 1979. The level of income support that will ultimately be provided is now in question since the House Agricultural Committee previously approved a bill that would increase the 1979 wheat and feed grain target prices by 7 percent.

In separate action, the House Agriculture Committee reported a bill to place a floor under the 1980 and 1981 cotton loan rates at the 1979 level of 50.23 cents per pound.

The 1977 Act also required that the price of milk be supported at a minimum of 80 percent of parity until October 1, 1979. Without new legislation, the minimum required level of support will revert to the 75 percent of parity provided in permanent farm legislation. New legislation which would extend the 80 percent minimum through September of 1981 would, however, have little near-term impact. The Department of Agriculture has already announced

that the support price for the 1979/80 marketing year (beginning October 1, 1979) would be equal to 80 percent of parity. Since the 1977 Act also required semiannual adjustments, that decision will be reviewed again in April 1980.

A bill awaiting House floor action would establish the market price objective for the 1979 sugar crop at 15.8 cents per pound. This bill, which has been approved by both the House Agriculture and Ways and Means Committees, also provides for supplementing the price support level with an additional half-cent direct payment.

The Sugar Act of 1948 and other statute establish historical precedent for the use of direct payments to sugar growers. But the bill currently before the House adds two new facets by directing payments to farmers and limiting to \$50,000 the amount of payment that any one grower can receive from the program. This payment limitation is identical to the maximum amount of payment that producers of wheat, feed grains, cotton, and rice may receive from commodity programs beginning in 1980.

Crop Insurance: Since the current disaster payments program expires with the 1979 crop, some decision on crop insurance is imminent this year. Crop insurance bills have been agreed to by both the Senate and House Agriculture Committees.

The Senate version, S. 1125, was passed on September 10 by a vote of 64 to 27.

Basic provisions of the Bill include:

- A \$500 million increase in the funds for the Federal Crop Insurance Program.

- Use of private insurance companies in the Federal Crop Insurance Program.

- Expansion in the areas and crops covered by insurance.

- Yield protection at a level of 75 percent of the producer's recorded or appraised yield for the commodity on the insured farm. Lesser levels of yield coverage will also be made available.

- Coverage equal to the highest of (1) the established price for the commodity and crop year, (2) the loan rate, if any, or (3) the projected market price. Lesser levels of price coverage will also be available.

- To encourage participation, a portion of the producer's premium, equal to not less

than 20 more more than 40 percent, will be subsidized.

—Extend to producers of wheat, feed grains, cotton, and rice the choice of either the current disaster payments program or insurance for the 1981 crop.

The bill approved by the House Agriculture Committee differs somewhat from the one approved by the Senate. The House bill, in its present form, would:

—Extend through 1981 existing disaster payments to producers of grains, cotton and rice in counties where the new subsidized insurance program is not available.

—Eliminate disaster payments in counties where the new insurance program is available to grain, cotton, and rice producers prior to planting the 1981 crop.

—Encourage farmer participation by paying 30 percent of the farmer's premium cost up to a coverage level of 65 percent of the farm's normal yield. Farmers could insure crops for either 50, 65, or 75 percent of their normal yield, but the premium subsidy would not apply above the 65 percent level.

—Authorize an additional premium subsidy for small farms.

—Allow private companies to participate in the program through a reinsurance program.

The House Agriculture Committee approved H.R. 4119 by a 21 to 20 roll call vote which indicates that the legislation will not have an easy time when it reaches the

House floor. After House consideration, it is likely that differences will remain between the House and Senate version of crop insurance, necessitating a Committee of Conference to resolve differences.

Meat Imports: The Committee on Ways and Means has reported a bill, H.R. 2727, which makes three major changes in the Meat Import Act of 1964. The bill would:

—adopt a countercyclical formula to calculate the Meat Import Quota.

—Restrict the authority of the President to suspend the Quota.

—Establish a minimum import level.

The new formula for determining the quota would use the more recent base period of 1968 to 1977 and include a countercyclical adjuster. This would permit imports to increase when domestic production is tight and restrain imports when the U.S. cattle cycle is in a liquidation phase. H.R. 2727 ties the President's authority to increase the quota to the countercyclical adjuster.

Other Legislative Issues: Farm credit, energy conservation, and foreign ownership of agricultural resources are policy issues that also will be taken up by the Congress during the remainder of this session. The resource debate, particularly for energy and land and water use, will continue into the next session of the Congress. Both the House and Senate are currently considering energy legislation. On the Senate side, the Banking Committee has reported a "synfuels bill," including gasohol amendments. The House Agriculture Committee has approved legislation which authorizes loans for the building of plants and development of new energy sources, including alcohol fuel from crops. Energy legislation is imminent, but its final form and timing is still uncertain.

Food and Nutrition

Preliminary estimates indicate that as many as 16.6 million people in the 50 States and District of Columbia participated in the

Food Stamp Program in early 1979, up nearly 20 percent from the last quarter of 1978 and a 9-percent increase over the same period a year earlier. The increase in public food assistance is attributable to several factors including elimination of the purchase requirement for Food Stamps, higher unemployment, and the early year food price increases. Prospects of continued food price increases next year coupled with the slowdown in economic activity imply that program costs for fiscal 1980 will exceed the spending "cap" established by Congress in 1977. The spending level will have to be increased or program benefits will be reduced.

Interest Rates Increased Under CCC Export Credit

The Commodity Credit Corporation (CCC) has increased interest rates under the export credit sales program and now ties the rates to the U.S. prime bank rate.

The rate for 6 to 36-month credit terms will be 13.50 percent for U.S. banks, up 2 percentage points, and 13.625 percent for foreign banks, up 1.125 of a percentage point over the present rate.

The interest rates were 11.5 percent and 12.5 percent.

To keep program interest rates closer to commercial lending rates, the interest on U.S. bank repayment guarantees will be .5 of a percentage point above the U.S. prime rate. Foreign bank repayment guarantees will be .625 of a percentage point above the U.S. prime rate.

As the U.S. prime rate changes, the department will announce any changes in the interest rates for the credit program.

All sale registrations now being received by CCC are being charged the new rates.

1979 and 1980 Wheat Program Comparison

Program Provision	1979	1980
Nat'l. Program		
Acreage . . .	57.1	¹ 70.0
Set-Aside . . .	20%	none req'd.
Diversion . . .	—	—
Vol. Reduction	15%	1980 acreage not over 1979's planted for harvest
Target Price (\$ per bu.) . .	3.40	² 3.07
Loan Rate (\$ per bu.) . .	2.35	2.50

¹ Preliminary. ² Based on preliminary cost estimate.

OUTLOOK '80

Agriculture in a World Setting



"Agriculture in a World Setting" is the theme of the U.S. Department of Agriculture's 56th annual outlook conference, to be held in Washington, D.C., November 5-8, 1979.

The notion of agriculture's importance to the global economy is not new, but developments in the past decade have dramatically altered the place of agriculture in the world setting as we prepare to enter the 1980's.

During the 1970's the United States reinforced its role as the world's preeminent food supplier—its agricultural exports nearly quintupled in value. There were several interlocking consequences: the world became more dependent on U.S. agriculture; U.S. agriculture became more dependent on foreign markets; and the U.S. economy became more dependent on its agricultural sector.

At Outlook '80, representatives from the U.S. Government, private trade, universities, and foreign countries will examine these and other trends and their implications for the future of the U.S. farm and food industry and the American way of life.

If you would like to attend, please fill out the enclosed, pre-addressed registration card and return it by October 15. By preregistering you can avoid delays during the opening hours of the conference. Preregistrants will be mailed a final program prior to the conference listing the details of each session, the key speakers, and the discussants.

A reception in the Patio of the USDA Administration Building at the conclusion of the first day's sessions will replace the buffet supper of previous conferences. The reception will feature a cash bar and complimentary hors d'oeuvres. There will be no admission charge.

Conferees interested in attending the family living luncheon in a restaurant near the conference site on November 5 should

telephone Cindy Jennings at (301) 436-8461 or write to her at USDA/SEA, Room 339, Federal Building, Hyattsville, Md., 20782. Advance reservations and payment will be required.

The follow-up lunches on Tuesday, Wednesday, and Thursday will feature the speakers from the preceding session and will be held in a room adjoining the USDA cafeteria. Conferees are invited to purchase their lunch in the cafeteria and carry it with them to the follow-up session. Seating will be limited.

MONDAY, NOVEMBER 5

Jefferson Auditorium
USDA South Building

10:00-1:00	Registration (Patio)
11:00-12:30	Family Living Lunch*
	Welcome
1:00-1:15	Agriculture in a World Setting
	General Outlook
1:15-3:00	World and U.S. Economic Outlook
3:15-5:00	World & U.S. Agricultural Outlook
5:00-7:00	Reception (Patio—Cash Bar, Complimentary Hors d'oeuvres)

TUESDAY, NOVEMBER 6

Jefferson Auditorium
USDA South Building

	Agricultural Outlook
9:00-10:30	Food Price Outlook
10:45-12:15	Policy Issues for the 1980's
12:30-1:30	Policy Follow-up Lunch**
1:45-3:14	Trade Outlook
3:30-5:00	Transportation

Freer Gallery Auditorium

	Outlook For Family Living
10:45-12:15	Management of Financial Resources***
1:45-3:15	Nutrition
3:30-5:00	Nutrition

218-A, USDA
Administration Building

	Special Sessions
1:45-3:15	Rural Development
3:30-5:00	Weather & Climate

WEDNESDAY, NOVEMBER 7

Jefferson Auditorium
USDA South Building

	Commodity Outlook
9:00-10:30	Foodgrains
10:45-12:15	Feedgrains
12:30-1:30	Grains Follow-up Lunch**
1:45-3:15	Oilseeds
3:30-5:00	Livestock & Poultry

Freer Gallery Auditorium

	Commodity Outlook
9:00-10:30	Cotton
10:45-12:15	Fruits & Vegetables
	Farm Outlook
1:45-3:15	Farm Income & Credit
3:30-5:00	Farm Inputs

218-A, USDA
Administration Building

	Outlook for Family Living
9:00-10:30	Changing Economic Conditions
10:45-12:15	Needs of Special Population Groups
1:45-3:15	Housing, Health and Clothing
3:30-5:00	Rural Transportation

THURSDAY, NOVEMBER 8

Jefferson Auditorium
USDA South Building

	Agricultural Outlook
9:00-10:30	Energy from Agriculture
10:45-12:15	Farm Structure
12:30-1:45	Structure Follow-up Lunch**

Freer Gallery Auditorium

	Commodity Outlook
9:00-10:30	Dairy
10:30-12:15	Sugar, Coffee & Tea

218-A, USDA
Administration Building

	Commodity Outlook
9:00-10:30	Tobacco
10:45-12:15	Forest Products

*Pier Seven Restaurant

**Room 1329-South Building

***Room 5066-South Building

REGISTRATION FORM

(Note: If you attended last year's conference, you will receive registration material in the mail. If you use this form, please use one for each registrant and type or print.)

Name _____

Organization _____

Street _____

City _____ State _____ Zip _____

Phone (including area code) _____

Return form to:

Outlook 80
Room 3506-S
U.S. Department of Agriculture
Washington, D.C. 20250



Recent Publications

Below is a list of selected USDA publications, arranged by subject area, which may be of interest to you. To order reports, write directly to the issuing agency (indicated in parentheses after each report citation) at the address listed below. When ordering be sure to list the publication number and provide your zipcode.

ESCS Reports

The publication order form provided on the inside back cover shows the publication numbers for ESCS reports listed below. Simply circle those you would like to receive and mail to ESCS Publications, Room 0054 South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

FAS Reports

FAS Information, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250.

State Reports

Publications issued by a State may be obtained by writing the address shown in parentheses. No copies are available from the U.S. Department of Agriculture.

New report listings, by subject matter:

Coffee

Coffee Supply and Distribution in Producing Countries, 1960/61-1979/80. FCOF 4-79 (FAS).

Cotton

U.S. Cotton Exports Increase in June. FC 11-79 (FAS).

Dairy

Nonfat Dry Milk Top U.S. Dairy Export, Cheese Leads Import Advance in 1978. FD 2-79 (FAS).

Food

Establishing a Trout-Marketing Cooperative. FCRR 12 (ESCS). Food Prices in Perspective. A Summary Analysis. ESCS 53 (ESCS).

Fruit

Southern Hemisphere Citrus Production Down in 1979/80. FCF 2-79 (FAS).

Grains

Third Forecast of Soviet Grain Crop Shows No Change From July. FG 12-79 (FAS). World Grain Situation Outlook for 1979/80. FG 13-79 (FAS). U.S. Wheat Industry. AER 432 (ESCS).

Miscellaneous

Regional and Residential Impacts of the Proposed Better Jobs and Income Program. ESCS 69 (ESCS).

Labor Force Activity of Women in Metropolitan and Nonmetropolitan America. RDRR 15 (ESCS).

Who Owns the Land? A Preliminary Report of a U.S. Landownership Survey. ESCS 70 (ESCS).

Agricultural Productivity: Expanding the Limits. AIB 431 (ESCS).

Indexes and Rankings for Indicators of Social Well-Being for U.S. Counties—Statistical Supplement for Rural Development. RDRR 10 (ESCS).

Agricultural Exports by Cooperatives. FCRR 5 (ESCS).

U.S. Foreign Agricultural Trade Statistical Report, Fiscal Year 1978: Supplementary Tables. A Supplement to the Monthly Foreign Agricultural Trade of the United States. Unnumbered. (ESCS).

Africa and West Asia Agricultural Situation: Review of 1978 and Outlook for 1979. Supplement 7 to WAS 18 (ESCS).

Oilseeds and Products

U.S. Oilseed Exports Declined in June 1979 Imports up Over Year-Earlier Level. FOP 14-79 (FAS).

World Oilseeds Situation and Outlook. FOP 15-79 (FAS).

Sunflowerseed in the USSR: Production, Processing, and Trade. FAS M-290 (FAS).

Vegetables

Tomato Crops For Processing Expand in Italy and Taiwan, Fall in Mexico, Portugal, and Spain. FVEG 5 (FAS).

U.S. Seed Exports, Quantity, Value, and Destination, July 1978/79 and 1979/80 Marketing Years. FFVS 8-79 (FAS).

State Reports

Exports of Agricultural Commodities Produced in California—Calendar Year 1978. California Crop and Livestock Reporting Service. P.O. Box 1258, Sacramento, California 95806.

Florida Agricultural Statistics—Field Crops Summary 1978. Florida Crop and Livestock Reporting Service, 1222 Woodward Street, Orlando, Florida 32803.

1979 Idaho Agricultural Statistics. Idaho Crop and Livestock Reporting Service, Box 1699, Boise, Idaho 83701.

Kansas Custom Rates 1978. Kansas Crop and Livestock Reporting Service. Room 290, 444 Southeast Quincy Street, Topeka, Kansas 66683.

62nd Annual Report and Farm Facts. Kansas Crop and Livestock Reporting Service, Room 290, 444 Southeast Quincy Street, Topeka, Kansas 66683.

Kansas Field Crops from Planting to Harvest. Kansas Crop and Livestock Reporting Service, Room 290, 444 Southeast Quincy Street, Topeka, Kansas 66683.

Kansas Wheat Quality 1979. Kansas Crop and Livestock Reporting Service, Room 290, 444 Southeast Quincy Street, Topeka, Kansas 66683.

Montana Wheat and Barley Varieties 1979. Montana Crop and Livestock Reporting Service. P.O. Box 4369, Helena, Montana. 59601.

Nebraska Agricultural Statistics Annual Report 1977-1978. Nebraska Crop and Livestock Reporting Service. P.O. Box 81069, 273 Federal Building, Lincoln, Nebraska 68501.

Oklahoma Agricultural Statistics 1978. Oklahoma Crop and Livestock Reporting Service. P.O. Box 1095, Oklahoma City. Oklahoma 73101.

Utah Agricultural Statistics 1979. Utah Crop and Livestock Reporting Service. P.O. Box 11486, Salt Lake City, Utah 84147.

1979 Wisconsin Agricultural Statistics. Wisconsin Agriculture Reporting Service. P.O. Box 9160, Madison, Wisconsin 53715. Wisconsin Dairy Facts 1979. Wisconsin Agriculture Reporting Service, P.O. Box 9160, Madison, Wisconsin 53715.

Statistical Indicators

Summary Data

KEY STATISTICAL INDICATORS OF THE FOOD AND FIBER SECTOR

	1977		1978				1979			
	Annual	II	III	IV	Annual	I	II ¹	III	IV Forecast	Annual ²
Prices received by farmers (1967=100)	183	213	215	219	210	240	245	240	233	240
Livestock and products (1967=100)	175	216	221	234	217	263	265	246	246	255
Crops (1967=100)	192	212	207	203	204	213	222	233	220	222
Prices paid by farmers, all items (1967=100)	202	218	221	225	219	238	248	253	258	249
Production items (1967=100) ³	208	226	228	232	226	249	259	263	267	259
Farm production (1967=100)	121	—	—	—	121	—	—	—	—	127
Livestock and products (1967=100)	106	—	—	—	106	—	—	—	—	107
Crops (1967=100)	130	—	—	—	131	—	—	—	—	140
Farm income ⁴										
Cash receipts (\$ bil.)	95.7	111.0	109.0	118.0	111.0	127.5	130.5	129	124	127
Livestock (\$ bil.)	47.4	58.3	60.4	63.4	59.0	70.0	67.5	65	63	66
Crops (\$ bil.)	48.2	52.7	48.6	54.6	52.1	57.6	63.0	64	61	61
Total gross farm income (\$ bil.) ⁴	108.5	124.8	123.7	134.6	126.0	141.5	144.9	143	139	142
Production expenses (\$ bil.)	88.8	97.0	97.4	103.0	98.1	119.5	111.3	114	115	112
Net farm income (\$ bil.)	19.8	27.8	26.3	31.6	27.9	34.0	33.9	22.9	24	30
Market basket: ⁵										
Retail cost (1967=100)	179.2	199.1	204.2	206.2	199.4	217.5	223.8	226	226	223
Farm value (1967=100)	178.1	211.5	213.4	214.8	207.4	237.4	235.8	226	227	232
Spread (1967=100)	180.0	191.6	198.6	201.1	194.5	205.4	216.5	225	226	218
Farm value/retail cost (%)	38	40	39	39	39	41	40	38	38	39
Retail Prices:										
Food (1967=100)	192.2	210.5	215.3	218.0	211.4	227.5	234.0	238	240	235
At home (1967=100)	190.2	210.0	214.4	216.5	210.2	227.0	233.1	236	237	233
Away-from-home (1967=100)	200.3	215.9	221.6	226.0	218.4	233.2	240.7	247	251	243
Per capita food use (1967=100)	104.6	—	—	—	104.5	—	—	—	—	105
Animal-products (1967=100) ⁷	103.0	100.1	100.7	104.2	102.2	100.0	100.0	101	105	102
Crop-products (1967=100)	106.3	—	—	—	106.9	—	—	—	—	108
Agricultural exports (\$ bil.) ⁸	24.0	6.5	7.9	6.8	27.3	8.2	7.7	7.9	8.2	32.0
Agricultural imports (\$ bil.) ⁸	13.4	3.9	3.4	3.6	13.9	3.9	4.1	4.4	3.9	16.3

¹ Preliminary ² Midpoint. ³ Including interest, wages, and taxes. ⁴ Quarterly data are seasonally adjusted at annual rates; ⁵ Includes net change in farm inventories. ⁶ Quarterly data are given at annual rates. 1978 revised to conform with the new Consumer Price Index-All urban. ⁷ Quarterly data exclude fish products. ⁸ Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarters indicated refer to fiscal year quarters, not calendar year quarters, i.e. I 1978 means Oct.-Dec. 1977, II 1978 means Jan.-Mar. 1978, etc.

Farm Income

Gross and net farm income ¹

	Annual			1976		1977				1978				1979	
	1976	1977	1978	IV	I	II	III	IV	I	II	III	IV	I	IIp	
	\$ Bil.														
Cash receipts from farm marketings	94.8	95.7	111.0	93.6	96.8	93.8	92.1	99.9	106.2	111.0	109.0	118.0	127.5	130.5	
Livestock and products	46.1	47.4	59.0	45.2	46.4	45.7	47.1	50.6	53.9	58.3	60.4	63.4	70.0	67.5	
Crops	48.7	48.2	52.1	48.4	50.4	48.1	44.9	49.4	52.4	52.7	48.6	54.6	57.6	63.0	
Net change in farm inventories	-2.4	1.1	1.1	-2.4	-1.0	1.0	2.0	2.2	1.0	.5	1.5	1.2	1.0	.8	
Nonmoney and other farm income ²	9.4	11.8	13.8	9.7	10.2	10.7	11.3	15.1	13.6	13.3	13.2	15.4	13.0	13.6	
Gross farm income	101.8	108.5	126.0	100.4	106.0	105.5	105.4	117.2	120.8	124.8	123.7	134.6	141.5	144.9	
Farm production expenses	83.1	88.8	98.1	84.4	86.7	87.5	88.5	92.4	95.0	97.0	97.4	103.0	107.5	111.3	
Net farm income															
Current prices	18.7	19.8	27.9	16.5	19.3	18.0	16.9	24.8	25.8	27.8	26.3	31.6	34.0	33.6	
1967 prices ³	11.0	10.9	14.3	9.5	10.9	10.0	9.2	13.4	13.7	14.4	13.3	15.7	16.4	15.7	

¹ All farm income series starting with calendar 1976 have been revised; Quarterly data are seasonally adjusted at annual rates. ² Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. ³ Deflated by the consumer price index for all items, 1967=100. p, preliminary.

Cash receipts from farming

	Annual			1978		1979					
	1976	1977	1978	July	Feb	Mar	Apr	May	June	July	
	\$ Mil.										
Farm marketings and CCC loans ¹	94,780	95,654	111,042	8,131	9,072	9,165	8,796	8,981	10,124	9,531	
Livestock and products	46,112	47,432	58,991	4,642	5,102	5,788	5,731	5,858	5,473	5,438	
Meat animals	26,954	27,842	37,373	2,805	3,271	3,730	3,719	3,760	3,389	3,394	
Dairy products	11,428	11,752	12,724	1,047	1,081	1,221	1,209	1,246	1,234	1,221	
Poultry and eggs	7,164	7,226	8,152	721	706	780	739	782	776	754	
Other	566	612	742	69	44	57	64	70	74	69	
Crops	48,668	48,222	52,051	3,489	3,970	3,377	3,065	3,123	4,651	4,093	
Food grains	6,896	6,041	5,927	851	333	323	277	467	1,053	1,247	
Feed crops	13,075	11,885	10,871	555	966	899	862	813	1,315	649	
Cotton (lint and seed)	3,477	3,470	3,429	45	243	110	117	92	101	69	
Tobacco	2,310	2,331	2,549	71	62	26	0	20	0	185	
Oil-bearing crops	9,406	9,537	11,987	452	1,434	912	598	466	857	531	
Vegetables and melons	5,242	5,659	6,083	535	376	407	338	461	485	433	
Fruits and tree nuts	3,646	4,341	5,451	525	213	262	355	387	523	523	
Other	4,616	4,958	5,754	455	343	438	518	417	317	456	
Government Payments	734	1,819	3,030	83	90	104	312	55	37	42	
Total cash receipts ²	95,514	97,473	114,072	8,214	9,162	9,269	9,108	9,036	10,161	9,573	

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1978	1979					
	1976	1977	1978	July	Feb	Mar	Apr	May	June	July
	1967=100									
All commodities	120	123	123	105	105	101	102	98	117	106
Livestock and products	109	112	115	107	96	105	105	108	107	108
Crops	134	138	135	102	117	96	99	83	132	104

Cash receipts¹ from farm marketings, by States, January-July

State	Livestock and Products		Crops ²		Total ³	
	1978	1979	1978	1979	1978	1979
	\$ Mil.					
NORTH ATLANTIC						
Maine	162	180	73	82	236	262
New Hampshire	36	34	14	13	50	47
Vermont	160	185	14	14	174	199
Massachusetts	64	65	60	59	124	124
Rhode Island	7	7	8	8	15	15
Connecticut	77	87	57	60	134	147
New York	761	940	252	256	1,013	1,196
New Jersey	62	63	137	147	200	209
Pennsylvania	864	1,058	356	367	1,221	1,425
NORTH CENTRAL						
Ohio	720	823	852	1,218	1,572	2,041
Indiana	890	1,016	843	1,016	1,734	2,032
Illinois	1,194	1,332	2,616	3,031	3,811	4,364
Michigan	581	690	534	486	1,115	1,176
Wisconsin	1,694	2,047	357	269	2,050	2,316
Minnesota	1,456	1,641	1,060	1,361	2,516	3,002
Iowa	2,968	3,373	1,677	2,507	4,645	5,880
Missouri	1,138	1,372	598	798	1,736	2,170
North Dakota	301	365	651	710	951	1,075
South Dakota	851	1,026	225	293	1,076	1,319
Nebraska	1,607	1,917	650	868	2,257	2,785
Kansas	1,617	1,936	592	836	2,209	2,773
SOUTHERN						
Delaware	129	149	30	34	159	183
Maryland	301	350	107	115	408	465
Virginia	369	442	139	171	508	613
West Virginia	68	68	18	23	86	90
North Carolina	721	844	325	452	1,046	1,296
South Carolina	213	259	209	269	421	528
Georgia	829	1,039	278	353	1,108	1,392
Florida	503	1,350	1,795	1,488	2,298	2,837
Kentucky	522	627	485	557	1,008	1,184
Tennessee	477	608	205	234	683	842
Alabama	701	832	213	217	914	1,049
Mississippi	506	595	363	400	869	995
Arkansas	767	946	367	500	1,134	1,446
Louisiana	252	301	277	275	529	576
Oklahoma	913	1,166	375	531	1,288	1,697
Texas	2,561	3,210	1,536	1,686	4,097	4,897
WESTERN						
Montana	168	210	235	275	402	485
Idaho	329	402	332	361	661	763
Wyoming	135	170	17	27	152	197
Colorado	1,185	1,385	225	227	1,410	1,612
New Mexico	266	315	80	92	347	407
Arizona	429	503	452	468	880	971
Utah	192	207	49	48	241	255
Nevada	52	59	25	28	76	87
Washington	313	382	711	770	1,024	1,151
Oregon	246	293	320	351	566	644
California	1,934	2,216	3,117	2,860	5,050	5,075
Alaska	3	2	3	3	5	5
Hawaii	43	41	179	183	222	224
West	5,293	6,187	5,744	5,691	11,037	11,878
UNITED STATES	32,336	39,131	24,095	27,397	56,431	66,528

¹ Estimates of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1978	1979					
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug P
	1967=100									
Prices Received										
All farm products	186	183	210	211	246	244	246	244	244	234
All crops	197	192	204	204	214	212	220	233	240	230
Food grains	202	156	191	191	195	199	210	240	251	240
Feed grains and hay	218	181	184	176	192	195	208	218	226	217
Feed grains	214	174	181	173	190	194	200	216	226	214
Cotton	265	270	245	255	233	237	247	262	271	262
Tobacco	163	175	191	194	202	205	206	206	199	208
Oil-bearing crops	205	243	226	224	258	255	255	264	264	251
Fruit	129	163	227	248	230	220	240	255	274	252
Fresh market ¹	126	163	237	261	238	227	251	270	293	267
Commercial vegetables	161	176	189	165	219	191	186	186	177	187
Fresh market	173	197	209	171	255	210	204	203	189	205
Potatoes ²	201	194	206	256	170	167	184	195	229	197
Livestock and products	177	175	217	218	274	272	269	255	250	239
Meat animals	170	168	226	230	304	304	301	280	273	256
Dairy products	192	193	210	208	234	230	229	229	230	236
Poultry and eggs	178	174	185	185	211	202	199	188	181	173
Prices paid										
Commodities and services										
Interest, taxes, and wage rates	191	202	219	221	243	246	248	249	251	251
Production items	193	200	216	217	243	246	247	248	250	249
Feed	191	186	183	179	195	197	202	205	216	210
Feeder livestock	154	158	221	227	314	322	310	292	288	276
Interest payable per acre on farm real estate debt	287	331	396	396	487	487	487	487	487	487
Taxes on farm real estate	178	195	207	207	221	221	221	221	221	221
Wage rates (seasonally adjusted)	210	226	242	243	257	269	269	269	266	266
Production items, interest, taxes, and wage rates	198	208	226	227	255	258	259	259	262	260
Prices received (1910-14=100)	464	457	524	528	615	609	615	610	611	586
Prices paid, etc. (Parity index) (1910-14=100)	650	687	744	750	826	837	842	845	853	852
Parity ratio ³	71	66	70	70	74	73	73	72	72	69

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wages rates. p. preliminary.

Prices received by farmers, U.S. average

	Annual*			1978			1979			
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug P
Crops										
All wheat (\$/bu.)	3.15	2.29	2.82	2.88	2.97	3.01	3.20	3.72	3.89	3.71
Rice, rough (\$/cwt.)	6.90	7.94	9.28	8.44	8.19	8.52	8.74	8.87	9.10	8.92
Corn (\$/bu.)	2.49	2.03	2.10	2.01	2.23	2.27	2.35	2.49	2.64	2.49
Sorghum (\$/cwt.)	4.00	3.11	3.45	3.37	3.57	3.58	3.66	4.30	4.46	4.30
All hay, baled (\$/ton)	58.00	57.10	49.90	49.00	50.20	49.50	65.10	58.00	56.30	57.60
Soybeans (\$/bu.)	5.58	6.82	6.28	6.21	7.15	7.06	7.06	7.36	7.36	6.91
Cotton, Upland (cts./lb.)	59.7	60.9	55.0	57.4	52.5	53.4	55.5	58.8	60.9	59.0
Potatoes (\$/cwt.)	4.14	3.90	3.99	4.92	3.07	3.02	3.33	3.35	4.24	3.69
Dry edible beans (\$/cwt.)	16.40	17.50	18.60	17.00	17.30	17.20	19.00	20.00	22.20	20.80
Apples for fresh use (cts./lb.)	10.1	12.3	16.4	15.0	14.2	14.0	13.9	13.5	14.9	15.6
Pears for fresh use (\$/ton)	178	145	¹ 130	324	295	356	457	496	—	258
Oranges, all uses (\$/box) ²	1.64	2.94	4.72	5.30	5.23	4.58	5.12	5.48	5.18	4.01
Grapefruit, all uses (\$/box) ²	1.45	1.67	2.39	3.01	2.10	2.68	3.64	4.24	5.33	3.68
Livestock										
Beef cattle (\$/cwt.)	33.90	34.50	48.20	49.30	70.20	72.40	71.50	66.90	65.60	61.30
Calves (\$/cwt.)	34.50	36.80	58.10	61.90	93.80	96.40	96.70	90.20	90.00	84.60
Hogs (\$/cwt.)	43.00	40.00	47.10	47.40	49.40	44.30	43.60	39.70	37.90	35.50
Lambs (\$/cwt.)	47.60	51.40	63.10	58.50	64.20	69.80	70.10	67.00	65.00	61.10
All milk, sold to plants (\$/cwt.)	9.66	9.71	10.60	10.50	11.80	11.60	11.50	11.50	11.60	11.90
Milk, manut. grade (\$/cwt.)	8.57	8.71	9.57	9.62	10.80	10.70	10.80	10.80	10.80	11.00
Broilers (cts./lb.)	23.1	23.5	26.5	26.2	28.9	28.2	29.0	26.4	25.5	23.0
Eggs (cts./doz.) ³	58.8	54.2	52.5	52.7	64.3	60.2	56.7	55.6	53.4	52.3
Turkeys (cts./lb.)	31.8	34.8	41.7	43.4	43.4	43.1	42.2	40.0	38.3	38.6
Wool (cts./lb.) ⁴	65.1	71.4	76.3	7.46	77.5	84.1	88.3	87.1	83.7	83.1

¹ Ten month average. ² Equivalent on-tree returns. ³ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁴ Average local market price, excluding incentive payments. *Calendar year averages. p Preliminary.

Producer and Retail Prices

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1978			1979			
	1976	1977	1978	Aug	Mar	Apr.	May	June	July	Aug
	1967=100									
Finished goods ¹	170.3	180.6	194.6	195.6	209.1	211.4	212.4	213.4	215.8	217.3
Consumer foods	180.2	189.1	206.8	205.9	226.3	227.8	226.6	223.8	224.6	223.2
Fruits and vegetables ²	178.4	192.2	218.2	215.3	232.2	237.2	226.5	226.2	226.6	241.6
Eggs	179.1	162.0	158.6	158.1	199.9	185.5	163.8	170.7	167.6	166.8
Bakery products	180.0	186.5	201.2	203.3	214.6	216.0	216.3	217.0	218.4	224.3
Meats	173.6	170.7	209.5	206.9	243.4	246.2	242.0	233.7	228.0	215.3
Beef and veal	156.0	157.5	202.2	196.8	256.0	270.1	264.4	254.1	248.1	233.3
Pork	201.4	190.1	219.1	219.3	224.2	210.7	203.2	198.0	191.9	183.7
Poultry	166.2	173.3	194.0	199.2	207.7	201.3	204.9	179.2	179.7	170.9
Fish	272.4	294.3	313.0	316.6	367.8	377.9	383.2	393.0	399.5	388.5
Dairy products	168.5	173.4	188.4	190.8	204.8	207.0	207.9	208.3	209.0	215.2
Processed fruits and vegetables	170.2	187.3	202.6	203.3	219.5	220.4	221.3	221.4	223.1	224.4
Refined sugar ³	n.a.	n.a.	108.3	106.8	115.0	113.5	114.2	113.7	113.7	115.1
Vegetable oil and products	174.2	198.6	209.4	208.6	215.2	221.3	219.3	219.7	225.6	229.8
Consumer finished goods less foods	161.8	172.1	188.9	185.3	196.7	199.2	201.6	204.7	208.4	212.1
Beverages, alcoholic	138.1	139.7	148.0	148.7	156.6	157.4	159.9	160.8	161.1	162.8
Beverages, nonalcoholic	187.2	198.1	212.1	211.7	224.9	224.9	226.3	226.5	228.0	229.4
Apparel	139.9	147.3	152.4	153.5	158.1	159.3	159.3	160.0	160.1	161.1
Footwear	158.9	168.7	183.2	184.5	210.5	212.6	215.8	219.7	222.3	225.6
Tobacco products	163.0	179.8	198.5	205.4	213.8	213.9	213.9	213.9	214.6	221.1
Intermediate materials ⁴	189.3	201.7	215.5	217.3	231.5	235.8	237.7	239.8	244.2	247.1
Materials for food manufacturing	180.6	181.7	202.3	203.3	219.6	222.2	222.4	222.2	226.4	225.1
Flour	147.8	118.9	141.5	143.7	155.6	155.3	165.5	171.4	187.3	183.6
Refined sugar ⁵	n.a.	n.a.	109.3	109.8	116.0	116.6	116.2	117.7	118.3	119.3
Crude vegetable oils	162.5	197.5	219.2	222.2	240.8	242.3	238.8	250.1	264.4	258.2
Crude materials ⁶	205.1	214.4	240.2	240.2	276.6	279.9	282.2	283.0	287.3	281.7
Foodstuffs and feedstuffs	190.1	190.9	215.4	213.2	247.4	251.5	251.9	248.2	254.1	243.6
Fruits and vegetables ²	178.4	192.2	218.2	215.2	232.2	237.2	226.5	226.2	226.6	241.6
Grains	205.9	165.0	182.5	178.9	192.0	198.3	210.3	218.7	247.4	229.1
Livestock	173.3	173.0	220.1	216.6	275.8	284.0	280.7	264.0	256.0	240.2
Poultry, live	166.9	175.4	199.8	204.8	217.6	209.4	216.3	182.9	183.8	171.9
Fibers, plant and animal	223.9	202.3	193.4	197.5	197.8	197.8	207.6	219.5	207.6	207.9
Milk	201.2	202.6	219.7	220.5	243.7	243.7	242.0	243.8	247.6	250.0
Oilseeds	204.4	236.7	224.1	223.9	250.0	252.9	248.1	258.7	261.8	252.1
Coffee, green	305.5	506.1	378.2	334.4	322.2	329.4	351.3	396.1	498.7	486.0
Tobacco, leaf	164.2	176.1	190.8	194.9	202.5	n.a.	206.3	206.3	199.8	208.8
Sugar, raw cane	185.5	149.5	190.2	194.7	195.2	197.0	195.1	206.5	208.4	216.2
All commodities	183.0	194.2	209.3	210.6	226.7	230.0	231.6	233.1	236.6	238.1
Industrial commodities	182.4	195.1	209.4	211.4	225.4	229.0	231.1	233.5	237.2	240.3
All foods ⁷	178.9	186.8	206.5	206.1	225.9	227.5	226.4	223.9	225.0	224.5
Farm products and processed foods and feeds	183.1	188.8	206.7	205.3	229.0	231.2	230.8	229.0	232.0	227.3
Farm products	191.0	192.5	212.7	210.3	242.8	246.0	245.2	242.8	246.8	238.5
Processed foods and feeds	178.0	186.1	202.6	201.8	220.5	222.3	222.1	220.7	223.0	220.3
Cereal and bakery products	172.1	173.2	190.2	192.5	200.1	203.0	205.0	206.4	210.5	215.1
Sugar and confectionery	190.9	177.5	197.8	200.3	208.4	208.7	209.1	212.6	215.7	218.3
Beverages	173.5	200.9	200.1	196.9	201.2	201.5	205.3	208.3	213.7	215.9
Wholesale spot prices, 9 foodstuffs	201.6	208.2	239.1	241.4	261.8	251.8	254.4	256.5	259.3	254.3

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for the first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a. = not available.

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)*

	Annual	1978					1979				
	1978	Aug	Jan	Feb	Mar	Apr	May	June	July	Aug	
		1967=100									
Consumer price index, all items	195.4	197.8	204.7	207.1	209.1	211.5	214.1	216.6	218.9	221.1	
Consumer price index, less food	191.2	193.3	199.8	201.8	203.8	206.3	208.9	211.8	214.2	216.9	
All food	211.4	215.4	223.9	228.2	230.4	232.3	234.3	235.4	236.9	236.3	
Food away from home	218.4	221.7	230.2	233.4	236.0	238.4	241.1	242.7	244.9	246.5	
Food at home	210.2	214.5	223.1	228.0	229.9	231.7	233.4	234.2	235.5	233.9	
Meats ¹	206.8	213.2	227.6	238.6	244.2	248.3	252.1	249.6	248.0	237.8	
Beef and veal	201.0	211.6	227.7	243.4	252.1	262.5	270.3	266.9	266.4	251.9	
Pork	213.1	212.4	226.7	232.3	233.4	225.9	222.2	217.2	215.1	207.4	
Poultry	172.9	179.1	181.2	185.8	189.9	189.9	188.0	187.2	186.2	177.1	
Fish	275.4	277.2	290.4	293.0	294.0	295.6	297.2	301.0	304.3	306.5	
Eggs	157.8	164.1	180.4	182.1	181.3	179.3	172.9	161.9	165.8	161.8	
Dairy products ²	185.6	186.1	198.4	200.6	201.5	202.4	203.8	205.5	206.3	208.6	
Fats and oils ³	209.6	214.5	218.1	219.2	219.5	222.5	225.3	226.3	227.4	228.9	
Fruits and vegetables	212.9	221.4	221.6	226.5	225.9	226.5	226.8	233.8	238.1	237.8	
Fresh	218.5	233.8	224.3	232.7	230.5	230.7	231.0	243.3	249.4	247.5	
Processed	208.7	209.7	220.7	221.6	222.7	223.9	224.2	225.4	227.8	229.2	
Cereals and bakery products	199.9	203.1	210.0	212.2	213.5	214.5	216.2	217.8	220.1	223.7	
Sugar and sweets	257.5	262.0	268.2	270.2	272.1	274.2	276.3	277.4	279.4	281.0	
Beverages, nonalcoholic	340.8	340.7	345.4	347.8	347.1	347.7	349.3	350.4	354.6	361.8	
Apparel, commodities less footwear	154.2	154.1	153.6	154.1	157.1	157.9	158.4	157.4	155.6	157.7	
Footwear	163.8	163.5	168.7	168.9	171.6	174.2	175.0	176.7	176.6	177.5	
Tobacco products	177.2	180.6	183.0	185.2	185.8	186.1	186.3	186.4	186.8	189.9	
Beverages, alcoholic	159.8	161.0	166.0	167.7	169.2	170.2	171.5	172.1	172.7	173.3	

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1978p		1979p					
	1976	1977	1978p	Aug	Mar	Apr	May	June	July	Aug	
Market basket ¹ :											
Retail cost (1967=100)	175.4	179.2	199.4	204.3	220.7	222.4	224.2	224.9	225.9	223.5	
Farm value (1967=100)	177.8	178.1	207.4	210.7	242.1	240.7	235.9	231.1	229.6	223.9	
Farm-retail spread (1967=100)	174.0	180.0	194.5	200.4	207.7	211.3	217.0	221.0	223.5	223.1	
Farm value/retail cost (%)	38.3	37.5	39.3	39.0	41.4	40.9	39.8	38.8	38.4	37.8	
Meat products:											
Retail cost (1967=100)	178.5	174.3	206.8	213.2	244.2	248.3	252.1	249.6	248.0	237.8	
Farm value (1967=100)	170.1	169.8	211.5	212.7	266.1	264.0	259.4	242.2	236.0	222.6	
Farm-retail spread (1967=100)	189.5	180.0	200.6	213.8	215.7	227.9	242.6	259.2	263.6	257.4	
Farm value/retail cost (%)	53.8	55.0	57.8	56.3	61.5	60.0	58.1	54.8	53.7	52.9	
Dairy products:											
Retail cost (1967=100)	168.5	173.3	185.5	186.1	201.5	202.4	203.8	205.5	206.3	208.6	
Farm value (1967=100)	185.9	187.2	204.3	207.7	225.9	227.2	227.6	231.3	232.8	235.5	
Farm-retail spread (1967=100)	153.3	161.3	169.2	167.2	180.2	180.8	183.0	183.1	183.2	185.2	
Farm value/retail cost (%)	51.4	50.3	51.3	52.0	52.2	52.3	52.0	52.3	52.5	52.6	
Poultry:											
Retail cost (1967=100)	157.0	158.1	172.9	179.1	189.9	189.9	188.0	187.2	186.2	177.1	
Farm value (1967=100)	174.4	178.5	202.7	208.2	221.9	221.6	213.4	203.0	195.2	177.9	
Farm-retail spread (1967=100)	140.2	138.4	144.1	150.9	158.9	159.2	163.4	171.9	177.5	176.3	
Farm value/retail cost (%)	54.6	55.5	57.7	57.2	57.5	57.4	55.8	53.3	51.6	49.4	
Eggs:											
Retail cost (1967=100)	174.9	169.1	157.8	164.1	181.3	179.3	172.9	161.9	165.8	161.8	
Farm value (1967=100)	201.9	187.5	178.7	194.7	212.2	211.9	180.5	183.3	185.7	183.6	
Farm-retail spread (1967=100)	135.8	142.5	127.5	119.9	136.6	132.2	161.9	131.1	137.1	130.3	
Farm value/retail cost (%)	68.2	65.5	66.9	70.1	69.2	69.8	61.7	66.9	66.2	67.1	
Cereal and bakery products:											
Retail cost (1967=100)	180.8	183.7	199.9	203.1	213.5	214.5	216.2	217.8	220.1	223.7	
Farm value (1967=100)	162.3	138.2	163.9	164.5	173.5	175.7	181.6	196.1	203.4	200.6	
Farm-retail spread (1967=100)	184.6	193.2	207.3	211.1	221.8	222.5	223.4	222.3	223.6	228.5	
Farm value/retail cost (%)	15.4	12.9	14.1	13.9	13.9	14.0	14.4	15.4	15.8	15.4	
Fresh fruits:											
Retail cost (1967=100)	161.3	167.9	230.1	268.4	234.5	243.6	259.3	276.5	291.4	304.8	
Farm value (1967=100)	146.7	177.2	228.8	245.5	211.0	217.9	221.1	251.7	268.7	306.3	
Farm-retail spread (1967=100)	167.8	192.7	230.7	278.7	245.0	255.1	276.4	287.6	301.6	304.1	
Farm value/retail cost (%)	28.2	29.2	30.8	28.3	27.9	27.7	26.4	28.2	28.6	31.1	

See footnotes at end of table.

Market basket of farm foods—Continued

	Annual			1978p	1979p					
	1976	1977	1978p	Aug	Mar	Apr	May	June	July	Aug
Fresh vegetables:										
Retail costs (1967=100)	179.1	200.6	216.2	216.1	234.6	224.7	213.6	222.0	222.4	210.7
Farm value (1967=100)	184.4	205.4	216.3	206.4	246.5	224.4	186.0	195.2	205.5	200.3
Farm-retail spread (1967=100)	176.5	198.3	216.2	220.7	229.0	224.8	226.6	234.6	230.3	215.6
Farm value/retail costs (%)	32.9	32.8	32.0	30.5	33.6	31.9	27.8	28.1	29.6	30.4
Processed fruits and vegetables:										
Retail cost (1967=100)	181.7	190.2	208.7	209.7	222.7	223.9	224.2	225.4	227.8	229.2
Farm value (1967=100)	202.8	188.5	213.3	226.3	238.1	235.3	238.1	240.3	242.1	241.4
Farm-retail spread (1967=100)	177.1	190.6	207.7	206.0	219.3	221.4	221.1	222.1	224.6	226.5
Farm value/retail costs (%)	20.2	18.0	18.5	19.6	19.4	19.1	19.3	19.3	19.3	19.1
Fats and oils:										
Retail costs (1967=100)	176.7	192.0	209.6	214.5	219.5	222.5	225.3	226.3	227.4	228.9
Farm value (1967=100)	206.4	249.3	257.4	267.2	283.8	281.0	279.5	293.3	288.9	290.9
Farm-retail spread (1967=100)	165.2	169.9	191.1	194.2	194.7	200.0	204.4	200.5	206.1	205.0
Farm value/retail cost (%)	32.5	36.1	34.1	34.6	35.9	35.1	34.5	36.0	34.6	35.3

¹ Market basket statistics are based on the weighting structure of the Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	Annual			1978p	1979p					
	1976	1977	1978p	Aug.	Mar	Apr	May	June	July	Aug
Beef, Choice:¹										
Retail price ² (cts./lb.)	148.2	148.4	181.9	189.3	225.9	232.8	240.2	233.6	232.2	220.9
Net carcass value ³ (cts.)	91.5	93.8	119.3	118.5	154.6	160.4	160.4	152.4	148.0	139.9
Net farm value ⁴ (cts.)	84.1	85.5	111.1	109.5	146.8	153.6	150.5	140.9	137.6	129.5
Farm-retail spread (cts.)	64.1	62.9	70.8	79.8	79.1	79.2	89.7	92.7	94.6	91.4
Carcass-retail spread ⁵ (cts.)	56.7	54.6	62.6	70.8	71.3	72.4	79.8	81.2	84.2	81.0
Farm-carcass spread ⁶ (cts.)	7.4	8.3	8.2	9.0	7.8	6.8	9.9	11.5	10.4	10.4
Farm value/retail price (%)	57	58	61	58	65	66	63	60	59	59
Pork:¹										
Retail price ² (cts./lb.)	134.0	125.4	143.6	144.4	156.9	150.7	149.3	144.5	142.4	135.9
Wholesale value ³ (cts.)	105.2	99.0	107.7	107.5	109.4	103.8	99.9	96.7	93.4	92.0
Net farm value ⁴ (cts.)	71.0	65.6	76.6	76.8	76.5	70.9	68.2	63.2	61.1	59.8
Farm-retail spread (cts.)	63.0	59.8	67.0	67.6	80.4	79.8	81.1	81.3	81.3	76.1
Wholesale-retail spread ⁵ (cts.)	28.8	26.4	35.9	36.9	47.5	46.9	49.4	47.8	49.0	43.9
Farm-wholesale spread ⁶ (cts.)	34.2	33.4	31.1	30.7	32.9	32.9	31.7	33.5	32.3	32.2
Farm value/retail price (%)	53	52	53	53	49	47	46	44	43	44

¹ Revised series, for historical data and methodology see August 1978 issue of *Livestock and Meat Situation*, LMS-222. ² Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. ³ Value of carcass quantity equivalent to 1 lb. of retail cuts—beef adjusted for value of fat and bone byproducts. ⁴ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁵ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁶ Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual		1978		1979					
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug
Rail freight rate index ¹										
All products (1969=100)	186.6	199.1	213.0	215.7	232.9	233.2	233.3	235.9	239.4	241.8
Farm products (1969=100)	182.7	191.3	204.9	207.3	224.7	225.1	225.7	227.9	231.1	233.6
Food products (1969=100)	185.1	195.3	210.0	212.9	229.2	229.6	229.6	232.7	235.9	238.0
Rail carloadings of grain (thou. cars) ²	25.5	23.9	25.8	29.2	23.2	24.1	25.8	30.1	31.4	29.6
Grain shipments of grain (mil. bu.) ³	31.0	29.3	31.3	38.0	24.9	25.7	33.1	34.8	37.3	33.9
Fresh fruit and vegetable shipments										
Rail (thou. carlots) ^{3 4 5}	63.8	1,552	915	537	1,063	1,125	1,132	2,388	1,192	631
Truck (thou. carlots) ^{3 4 5}	617.0	6,596	7,322	5,821	7,387	7,824	8,744	8,735	7,609	6,676

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1979. ⁵ Shipments reported in 1000 hundredweight. Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds. ⁶ Thousand carlots.

Livestock and Products

Livestock and products output and prices

	1977					1978					1979	
	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	
Beef (mil. lb.)	24,986	6,106	5,938	5,923	6,043	24,010	5,546	5,076	5,250	5,000	20,872	
Change (pct.) ²	-3	-3	-4	-6	-3	-4	-9	-15	-11	-17	-13	
Pork (mil. lb.)	13,051	3,243	3,265	3,160	3,541	13,209	3,399	3,760	3,800	4,250	15,209	
Change (pct.) ²	+6	-2	+3	+3	+1	+1	+5	+13	+20	+20	+15	
Veal (mil. lb.)	794	178	149	139	134	600	115	98	90	90	393	
Change (pct.) ²	-2	-11	-20	-32	-33	-24	-35	-34	-35	-33	-35	
Lamb and mutton (mil. lb.)	341	75	76	73	76	300	72	71	70	75	288	
Change (pct.) ²	-6	-17	-12	-13	-6	-12	-4	-7	-4	-1	-4	
Red meats (mil. lb.)	39,172	9,602	9,428	9,295	9,794	38,119	9,132	9,005	9,210	9,415	36,762	
Change (pct.) ²	0	-3	-2	-4	-2	-3	-5	-4	-1	-4	-4	
Broilers (mil. lb.)	9,227	2,327	2,547	2,567	2,443	9,884	2,551	2,844	2,900	2,685	10,990	
Change (pct.) ²	+3	+8	+6	+6	+9	+7	+10	+12	+13	+10	+11	
Turkeys (mil. lb.)	1,892	228	400	680	676	1,984	271	465	750	730	2,216	
Change (pct.) ²	-3	+9	+9	+1	+5	+5	+19	+16	+10	+8	+12	
Total meats (mil. lb.)	50,291	12,157	12,375	12,542	12,913	49,987	11,954	12,314	12,860	12,830	49,968	
Change (pct.) ²	0	-1	0	-2	0	-1	-1.7	-5	+2.5	-7	0	
Eggs (mil. doz.)	5,408	1,378	1,394	1,380	1,444	5,596	1,419	1,422	1,425	1,485	5,751	
Change (pct.) ²	+1	+4	+4	+4	+2	+3	+3	+2	+3	+3	+3	
Milk (bil. lb.)	122.7	29.8	32.7	30.5	29.0	³ 121.9	30.0	32.8	31.0	29.2	³ 122.9	
Change (pct.) ²	+2	0	-1	-1	0	-1	+1	0	+2	+1	+1	
Total livestock and products (1974=100)	106.2	102.9	107.3	106.0	105.6	105.7	102.1	106.7	107.8	105.9	105.6	
Change (pct.) ²	+7	-4	-2	-1.5	+1	-5	-8	-6	+1.7	+3	0	

Prices

Choice steers, Omaha (\$ per cwt.)	40.38	45.77	55.06	53.75	54.70	52.34	65.42	72.51	65-66	67-69	67-69
Barrows and gilts, 7-markets (\$ per cwt.)	41.07	47.44	47.84	48.52	50.05	48.46	51.98	43.04	37-39	34-36	41-43
Broilers, 9-city wholesale (cts. per lb.) ⁶	40.8	41.8	47.6	46.6	42.1	44.5	47.5	47.7	40-42	36-38	43-44
Turkeys, N.Y., wholesale (cts. per lb.) ⁶	54.0	60.2	61.4	68.2	77.1	66.7	70.2	66.2	62-64	59-61	64-65
Eggs, cartonized, Grade A large, N.Y. (cts. per doz)	63.3	62.0	53.8	63.0	67.8	61.7	71.9	66.2	64-66	68-70	68-69
Milk, all at farm, (\$ per cwt.)	9.71	10.20	10.07	10.50	11.57	10.58	11.87	11.53	11.80-12.00	12.75-13.15	12.00-12.15
Livestock prices received by farmers (1967=100)	175	196	216	221	234	217	263	265	246	246	255

¹ Forecast. ² Change from year-earlier. ³ Does not add due to rounding of quarterly data. ⁴ Weighted average. ⁵ 8-16 pound young hens.

Dairy:

	Annual			1979						
	1976	1977	1978	Aug.	Mar.	Apr.	May	June	July	Aug.
Milk Production:										
Total milk (mil. lb.)	120,269	122,698	121,928	10,213	10,555	10,609	11,175	10,982	10,705	10,400
Milk per cow (lb.)	10,879	11,181	11,240	944	979	987	1,040	1,023	997	968
Number of milk cows (thou.)	11,055	10,974	10,848	10,821	10,779	10,748	10,744	10,735	10,738	10,740
Milk Prices, Minnesota-Wisconsin:										
3.5% fat (\$/cwt.) ¹	8.48	8.58	9.57	9.68	10.59	10.63	10.67	10.76	10.87	11.09
Price of 16% dairy ration (\$/ton)	141	140	138	136	149	149	150	152	162	159
Milk-feed price ratio (lb.) ²	1.37	1.39	1.53	1.54	1.58	1.56	1.53	1.51	1.43	1.50
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	3,844	5,708	8,626	11,492	8,868	8,618	8,907	9,837	10,515	10,716
Commercial (mil. lb.)	3,719	5,299	4,916	5,683	4,875	4,864	5,140	5,872	6,252	6,619
Government (mil. lb.)	124	410	3,710	5,808	3,994	3,754	3,767	3,965	4,263	4,097
Imports, total equiv. (mil. lb.) ³	1,943	1,968	2,305	196	128	132	153	186	168	n.a.
USDA net removals:										
Total milk equiv. (mil. lb.) ³	1,236	6,080	2,743	⁴ -85.9	2.7	284.5	573.5	194.0	64.8	-44.4
Butter:										
Production (mil. lb.)	978.6	1,085.6	994.3	63.2	89.3	92.4	98.6	84.7	74.8	n.a.
Stocks, beginning (mil. lb.)	10.9	47.1	184.9	297.7	214.7	209.5	216.5	239.1	260.1	252.4
Wholesale price, Grade A Chi. (cts./lb.)	92.0	98.4	109.8	116.7	114.1	120.7	121.8	121.8	122.7	128.7
USDA net removals (mil. lb.)	39.4	221.8	112.0	⁴ -6.0	0	13.6	26.8	8.2	⁴ -1.0	⁴ -2.4
Commercial disappearance (mil. lb.)	919.0	859.8	903.5	69.8	86.3	74.8	59.3	69.5	75.3	n.a.
American cheese:										
Production (mil. lb.)	2,048.8	2,043.1	2,074.2	165.6	185.3	192.0	210.6	210.9	195.2	n.a.
Stocks, beginning (mil. lb.)	307.8	411.4	422.1	448.1	379.6	367.9	378.0	417.2	432.2	459.4
Wholesale price, Wis. assembly pt. (cts./lb.)	96.3	96.8	107.1	109.1	119.7	121.3	121.1	121.8	123.7	128.5
USDA net removals (mil. lb.)	38.0	148.2	39.7	3.5	0	⁴ 5	1.7	2.2	8.3	-3
Commercial disappearance (mil. lb.)	1,920.9	1,958.8	2,064.7	167.4	191.3	177.1	170.0	195.2	161.0	n.a.
Other Cheese:										
Production (mil. lb.)	1,271.4	1,315.5	1,445.1	120.9	137.7	125.7	129.1	133.8	123.8	n.a.
Stocks, beginning (mil. lb.)	60.8	67.1	64.0	75.5	78.4	76.9	75.7	78.7	88.0	90.9
Commercial disappearance (mil. lb.)	1,458.0	1,512.3	1,655.1	143.1	149.0	141.6	140.5	145.7	139.7	n.a.
Nonfat dry milk:										
Production (mil. lb.)	926.2	1,106.6	920.4	75.7	76.1	87.8	104.8	112.2	94.5	n.a.
Stocks, beginning (mil. lb.)	468.9	485.4	677.9	713.5	549.0	524.0	518.1	524.6	538.3	558.6
Wholesale price, avg. manf. (cts./lb.)	63.4	66.5	71.4	71.5	77.2	78.8	79.4	79.5	79.7	n.a.
USDA net removals (mil. lb.)	157.1	461.7	285.0	18.8	.8	21.3	44.8	49.8	41.4	15.0
Commercial disappearance (mil. lb.)	719.2	682.2	658.4	78.2	65.0	33.3	34.5	44.6	58.5	n.a.
Frozen dessert production (mil. gal.)⁵	1,154.0	1,167.6	1,170.4	124.3	99.3	97.2	108.6	119.3	118.0	n.a.

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Milk equivalent, fat-solids basis. ⁴ Domestic sales exceeded purchases.

⁵ Less than 50,000 pounds. ⁶ Ice cream, ice milk, and sherbert. n.a. = not available.

Poultry and eggs:

	Annual			1979						
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug
Eggs										
Farm production (mil.)	64,520	64,886	67,155	5,554	5,884	5,684	5,803	5,574	5,719	5,554
Average number of layers on farms (mil.)	274	275	281	276	288	285	282	280	281	281
Rate of lay (eggs per layer)	235	236	239	20.1	20.4	19.9	20.6	19.9	20.4	20.3
Cartoned price, New York, grade A										
Large (cts./doz.) ¹	70.3	63.3	61.7	62.6	75.1	69.6	62.6	66.1	64.0	67.0
Price of laying feed (\$/ton)	151	152	152	150	162	163	163	166	177	174
Egg-feed price ratio (lb.) ²	7.8	7.3	6.9	7.0	7.9	7.4	7.0	6.7	6.0	6.0
Stocks, beginning of period:										
Shell (thou. cases)	22	28	39	26	18	24	19	27	23	33
Frozen (mil. lb.)	36.3	26.1	29.7	28.0	24.5	21.1	21.7	21.6	22.8	25.8
Replacement chicks hatched (mil.)	492	502	492	38.6	49.4	52.6	55.7	47.3	42.4	41.7
Broilers										
Federally inspected slaughter, certified (mil. lb.)	8,987	9,227	9,883	930.8	905.0	889.8	1,013.5	940.7	965.3	—
Wholesale price, 9-city, (cts./lb.)	40.2	40.8	44.5	44.1	47.5	47.5	49.4	46.1	42.8	39.6
Price of broiler grower feed (\$/ton)	168	171	169	169	184	185	184	186	199	199
Broiler-feed price ratio (lb.) ³	2.8	2.7	3.1	3.1	3.1	3.0	3.2	2.8	2.6	2.3
Stocks, beginning of period (mil. lb.)	22.3	32.9	29.4	21.7	17.7	18.3	16.3	16.8	18.6	23.4
Average weekly placements of broiler chicks, 21 States (mil.)	63.6	66.7	71.0	68.7	79.0	82.5	83.4	84.4	79.0	78.0
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,950	1,892	1,983	248.8	95.0	112.3	157.3	195.9	219.2	—
Wholesale price, New York, 8-16 lb.										
Young hens (cts./lb.)	48.7	54.0	66.7	68.0	70.0	68.6	65.2	64.7	63.0	63.0
Price of turkey grower feed (\$/ton)	174	184	182	182	198	200	201	203	214	206
Turkey-feed price ratio (lb.) ³	3.7	3.8	4.6	4.8	4.4	4.3	4.2	3.9	3.6	3.7
Stocks, beginning of period (mil. lb.)	195.2	203.4	167.9	213.6	155.6	135.8	128.9	152.9	200.9	271.3
Poults hatched (mil.)	149.5	148.4	158.1	9.6	20.1	21.0	21.8	19.9	16.8	11.5

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Meat animals:

	Annual			1978		1979					
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug	
Cattle on feed (7-States)											
Number on feed (thou. head) ¹	8,537	8,213	8,927	7,867	8,214	7,948	7,668	7,698	7,562	7,203	
Placed on feed (thou. head) ²	18,976	20,809	22,597	1,757	1,610	1,475	1,851	1,543	1,224	1,342	
Marketings (thou. head)	18,167	18,701	20,301	1,674	1,695	1,535	1,603	1,521	1,475	1,626	
Other disappearance (thou. head)	1,133	1,383	1,997	115	181	220	218	158	108	82	
Beef steer-corn price ratio, Omaha (bu.) ³	15.2	19.9	24.8	26.5	32.7	33.2	30.8	26.4	24.7	25.7	
Hog-corn price ratio, Omaha (bu.) ³	16.5	20.2	22.9	24.5	22.6	19.9	18.1	15.2	14.1	15.4	
Commercial slaughter (thou. head) ⁴											
Cattle	42,654	41,856	39,552	3,458	2,852	2,533	2,792	2,715	2,659	3,030	
Steers	18,879	19,342	18,526	1,583	1,497	1,335	1,486	1,466	1,377	1,556	
Heifers	12,158	11,748	11,758	1,093	799	699	773	766	800	939	
Cows	10,619	9,864	8,470	707	508	453	480	434	431	478	
Bulls and stags	998	902	798	75	48	46	53	49	51	57	
Calves	5,350	5,517	4,170	347	272	223	214	193	218	241	
Sheep and lambs	6,714	6,356	5,369	459	444	444	434	385	400	435	
Hogs	73,784	77,303	77,315	6,481	7,397	7,237	7,564	6,940	7,002	7,956	
Commercial production (mil. lb.)											
Beef	25,667	24,986	24,010	2,097	1,778	1,586	1,765	1,724	1,682	1,919	
Veal	813	794	600	50	38	33	33	32	34	34	
Lamb and mutton	361	341	300	25	27	25	25	21	22	23	
Pork	12,488	13,051	13,209	1,101	1,251	1,237	1,309	1,213	1,221	1,352	
Market prices											
Slaughter cattle:											
Choice steers, Omaha	39.11	40.38	52.34	52.40	71.04	75.00	73.99	68.53	67.06	62.74	
Utility cows, Omaha	25.31	25.32	36.79	37.85	52.94	57.00	55.51	50.60	47.80	48.33	
Choice vealers, S. St. Paul	45.18	48.19	69.24	81.66	97.50	104.56	110.35	94.25	92.29	88.74	
Feeder cattle:											
Choice, Kansas City, 600-700 lb.	39.40	40.19	58.78	63.08	87.25	89.98	88.32	82.19	82.48	79.31	
Slaughter hogs:											
Barrows and gilts, No. 1&2, Omaha ⁶	44.70	42.10	49.54	49.33	49.75	45.82	44.54	41.10	30.19	38.80	
Barrows and gilts, 7-markets	43.11	41.07	48.49	48.77	49.38	45.04	43.79	40.29	38.73	38.21	
Feeder pigs:											
S. Mo. 40-50 lb. (per head)	36.54	35.42	48.16	50.83	53.14	50.84	40.89	30.11	24.14	24.58	
Slaughter sheep and lambs:											
Lambs, Choice, San Angelo	49.87	54.28	65.33	59.70	64.00	78.62	73.20	68.83	65.83	62.65	
Ewes, Good, San Angelo	17.69	19.19	28.97	28.80	45.75	42.12	32.85	28.88	31.83	29.60	
Feeder lambs:											
Choice, San Angelo	51.28	55.12	75.61	76.10	84.25	89.75	76.15	71.12	70.25	71.00	
Wholesale meat prices, Midwest ⁵											
Choice steer beef, 600-700 lb.	60.99	62.69	80.43	79.94	104.59	108.61	108.64	103.56	99.85	94.13	
Canner and Cutter cow beef	52.00	51.58	74.61	74.99	105.20	109.26	105.22	97.12	95.08	103.50	
Pork loins, 8-14 lb.	86.45	83.04	95.99	93.66	94.98	95.11	92.06	96.43	87.62	83.98	
Pork bellies, 12-14 lb.	65.27	54.19	62.50	58.39	54.46	51.88	46.57	44.09	38.95	36.51	
Hams, skinned, 14-17 lb.	79.79	76.50	86.37	83.54	89.82	76.47	72.29	70.17	64.48	66.84	

Dol. per 100 pounds

	Annual			1978		1979					
	1976	1977	1978	II	III	IV	I	II	III	IV	
Cattle on feed (23-States):											
Number on feed (thou. head) ¹	12,328	11,948	12,811	11,741	10,924	11,347	12,681	11,074	10,309	—	
Placed on feed (thou. head) ²	25,508	27,651	29,077	6,558	7,352	8,677	5,876	6,113	—	—	
Marketings (thou. head)	24,170	24,853	26,649	6,621	6,523	6,734	6,770	6,110	—	—	
Other disappearance (thou. head)	1,718	1,935	2,558	754	406	609	713	768	—	—	
Hogs and pigs (14-States): ⁴											
Inventory (thou. head) ¹	41,855	47,120	48,308	44,680	47,205	49,300	51,220	50,935	55,540	56,990	
Breeding (thou. head) ¹	6,368	6,788	7,324	6,946	7,450	7,463	8,095	8,333	8,696	8,237	
Market (thou. head) ¹	35,487	40,332	40,984	37,734	39,755	41,837	43,125	42,602	46,844	48,753	
Farrowings (thou. head)	9,996	10,362	10,609	2,870	2,658	2,796	2,660	3,486	3,110	3,157	
Pig crop (thou. head)	72,580	74,161	75,564	20,716	19,195	20,027	18,266	24,994	22,253	—	

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. Beginning in January 230-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions. ⁸ Classes estimated.

Wool:

	Annual			1978		1979					
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug	
U.S. wool price, Boston ¹ (cts./lb.)	182	183	189	192	206	220	220	218	218	218	
Imported wool price, Boston ² (cts./lb.)	214	224	230	234	261	268	271	271	271	271	
U.S. mill consumption, scoured											
Apparel wool (thou. lb.)	106,629	95,485	102,246	8,376	8,910	9,975	8,521	7,845	n.a.	n.a.	
Carpet wool (thou. lb.)	15,117	12,526	13,009	1,028	849	857	814	690	n.a.	n.a.	

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. n.a. Not available.

Supply and Utilization: Crops and Livestock

Supply and utilization of major crops¹

	Domestic measure ²				Metric measure ²			
		1979/80				1979/80		
	1977/78	1978/79 estimated	Projected	Probable variability ^a	1977/78	1978/79 estimated	Projected	Probable variability ^a
Wheat:								
		Mil. acres			Mil. hectares			
Area								
Planted	75.1	66.1	71.2	—	30.3	26.8	—	—
Harvested	66.5	56.8	62.2	—	26.8	22.9	—	—
		Bu. per acre			Metric tons per hectare			
Yield per harvested unit	30.6	31.6	34.1	—	2.1	2.2	—	—
		Mil. bu.			Mil. metric tons			
Beginning stocks	1,112	1,177	922	—	30.3	32.0	25.1	—
Production	2,036	1,799	2,123	+30 to -30	55.4	49.0	57.8	—
Imports	2	1	2	—	—	—	—	—
Supply, total	3,150	2,977	3,047	+30 to -30	85.7	81.0	82.9	—
Domestic	849	861	865	+55 to -55	23.1	23.4	23.5	—
Exports	1,124	1,194	1,400	+100 to -100	30.6	32.5	38.1	—
Use, total	1,973	2,055	2,265	+125 to -125	53.7	55.9	61.6	—
Ending stocks	1,177	922	782	+125 to -125	32.0	25.1	21.3	—
		Dol. per bu.			Dol. per metric ton			
Price received by farmers	2.33	³ 2.94	3.60-3.90	—	86	³ 108	132-143	—
Price, Kansas City, No. 1 HRW	2.72	3.38	⁴ 4.21	—	100	124	⁴ 155	—
Rice:								
		Mil. acres			Mil. hectares			
Area								
Allotment	1.80	1.80	1.80	—	.73	.73	—	—
Planted	2.26	3.08	3.05	—	.91	1.23	—	—
Harvested	2.25	3.00	3.02	—	.91	1.23	—	—
		Lb. per acre			Metric tons per hectare			
Yield per harvested unit	4,412 ¹	4,493	4,484	—	4.94	5.06	—	—
		Mil. cwt.			Mil. metric tons			
Beginning stocks	40.5	27.4	31.6	—	1.8	1.2	1.5	—
Production	99.2	133.8	135.3	+5 to -5	4.5	6.1	6.1	—
Imports	.1	.1	—	—	—	—	—	—
Supply, total	139.8	161.3	166.9	+5 to -5	6.3	7.3	7.6	—
Domestic	37.7	48.0	50.5	+2 to -2	1.7	2.2	2.3	—
Exports	72.8	76.9	83.0	+5 to -5	3.3	3.5	3.8	—
Use, total	110.5	124.9	133.5	+6 to -6	5.0	5.7	6.1	—
Ending stocks	27.4	31.6	33.4	+6 to -6	1.2	1.5	1.5	—
Difference unaccounted	+1.9	+4.8	—	—	—	—	—	—
		Dol. per cwt.			Dol. per metric ton			
Price received by farmers	9.49	³ 8.00	8.25-9.25	—	209	³ 176	182-204	—
Price, long-grain milled, S.W. La.	21.30	⁴ 18.41	—	—	470	⁴ 406	—	—
Feed grains:⁵								
		Mil. acres			Mil. hectares			
Area								
Planted	128.9	122.6	117.6	—	—	—	—	—
Harvested	108.0	104.3	99.9	—	—	—	—	—
		Metric tons per acre			Metric tons per hectare			
Yield per harvested unit	1.88 ⁶	2.08	2.21	—	—	—	—	—
		Mil. short tons			Mil. metric tons			
Beginning stocks	—	—	—	—	29.9	41.2	45.3	—
Production	—	—	—	—	203.4	217.3	220.9	+8 to -8
Imports	—	—	—	—	.3	.3	.3	—
Supply, total	—	—	—	—	233.6	258.8	266.5	+8 to -8
Feed	—	—	—	—	117.3	132.7	136.5	+9 to -9
Food, seed, and industrial uses	—	—	—	—	18.8	19.7	20.0	—
Domestic, total	—	—	—	—	136.1	152.4	156.5	+9 to -9
Exports	—	—	—	—	56.3	61.1	71.1	+5 to -5
Use, total	—	—	—	—	192.4	213.5	227.6	+12 to -12
Ending stocks	—	—	—	—	41.2	45.3	38.9	+8 to -8

See footnotes at end of table.

Supply and utilization of major crops¹ —Continued

	Domestic measure ²				Metric measure ³			
	1978/79		1979/80		1978/79		1979/80	
	1977/78	estimated	Projected	Probable variability *	1977/78	estimated	Projected	Probable variability *
Corn:								
			Mil. acres				Mil. hectares	
Area								
Planted	83.6	79.7	80.0	—	33.5	31.8	—	—
Harvested	70.9	70.0	69.5	—	28.3	27.6	—	—
			Bu. per acre				Metric tons per hectare	
Yield per harvested unit	90.7	101.2	104.6	—	5.71	6.03	—	—
			Mil. bu.				Mil. metric tons	
Beginning stocks	884	1,104	1,237	—	22.5	28.0	31.4	—
Production	6,425	7,082	7,268	+335 to -335	163.2	179.9	184.6	—
Imports	3	1	1	—	(⁶)	(⁶)	(⁶)	—
Supply, total	7,312	8,187	8,506	+335 to -335	185.7	207.9	216.1	—
Feed	3,709	4,200	4,350	+300 to -300	94.2	106.7	110.5	—
Food, seed, and industrial uses	551	575	590	—	14.0	14.6	15.0	—
Domestic, total	4,260	4,775	4,940	+300 to -300	108.2	121.3	125.5	—
Exports	1,948	2,175	2,500	+150 to -150	49.5	55.2	63.5	—
Use, total	6,208	6,950	7,440	+400 to -400	157.7	176.5	189.0	—
Ending stocks	1,104	1,237	1,066	+200 to -200	28.0	31.4	27.1	—
			Dol. per bu.				Dol. per metric ton	
Price received by farmers	2.02	³ 2.20	2.40-2.70	—	80	³ 87	94-106	—
Price, Chi., No. 2 yellow	2.26	⁴ 2.52	—	—	88.97	⁴ 9.21	—	—
Soybeans:								
			Mil. acres				Mil. hectares	
Area								
Planted	58.8	64.0	71.5	—	23.8	25.9	28.9	—
Harvested	57.6	63.0	70.3	—	23.3	25.5	28.4	—
			Bu. per acre				Metric tons per hectare	
Yield per harvested unit	30.6	29.2	30.9	—	2.06	1.96	2.08	—
			Mil. bu.				Mil. metric tons	
Beginning stocks	103	161	160	+10 to -10	2.8	4.4	4.4	+3 to -3
Production	1,762	1,843	2,174	+85 to -85	48.0	50.2	59.2	+2.3 to -2.3
Supply, total	1,865	2,004	2,334	+85 to -85	50.8	54.5	63.5	+2.3 to -2.3
Crushings	927	1,020	1,090	+50 to -50	25.2	27.8	29.7	+1.4 to -1.4
Exports	700	760	825	+50 to -50	19.1	20.7	22.5	+1.4 to -1.4
Seed, feed, and residual	77	79	89	—	2.1	2.1	2.4	—
Use, total	1,704	1,859	2,004	+50 to -50	46.4	50.6	54.5	+1.4 to -1.4
Ending stocks	161	160	330	+50 to -50	4.4	4.4	9.0	+1.4 to -1.4
			Dol. per bu.				Dol. per metric ton	
Price received by farmers	5.88	³ 6.75	5.75-6.50	—	216	³ 248	211-239	—
Price, Chi., No. 1 yellow	6.11	⁴ 7.08	—	—	224.50	⁴ 260.01	—	—
Soybean oil:								
			Mil. lb.				Thou. metric tons	
Beginning stocks	771	729	1,000	+100 to -100	350	331	454	+45 to -45
Production	10,288	11,371	11,880	+550 to -550	4,667	5,158	5,389	+250 to -250
Supply, total	11,059	12,100	12,880	+550 to -550	5,016	5,489	5,842	+250 to -250
Domestic	8,273	8,850	9,400	+500 to -500	3,753	4,014	4,264	+225 to -225
Exports	2,057	2,250	2,000	+300 to -300	933	1,021	907	+135 to -135
Use, total	10,330	11,100	11,400	+400 to -400	4,686	5,035	5,171	+180 to -180
Ending stocks	729	1,000	1,420	+300 to -300	331	454	671	+135 to -135
			Cts. per lb.				Cts. per kilogram	
Price, crude, Decatur	24.6	27	23-28	—	542	595	507-617	—
Soybean meal:								
			Thou. short tons				Thou. metric tons	
Beginning stocks	228	243	285	+50 to -50	207	220	259	+45 to -45
Production	22,371	24,342	25,885	+1,200 to -1,200	20,295	22,083	23,482	+1,090 to -1,090
Supply, total	22,599	24,585	26,170	+1,200 to -1,200	20,501	22,303	23,741	+1,090 to -1,090
Domestic	16,276	17,600	18,800	+1,000 to -1,000	14,765	15,966	17,055	+905 to -905
Exports	6,080	6,700	7,000	+400 to -400	5,516	6,078	6,350	+365 to -365
Use, total	22,356	24,300	25,800	+1,000 to -1,000	20,281	22,045	23,405	+905 to -905
Ending stocks	243	285	370	+75 to -75	220	259	336	+70 to -70
			Dol. per short ton				Dol. per metric ton	
Price, bulk, Decatur, 44 %	164.20	190.00	160.00-100.00	—	204	209	176-220	—

See footnotes at end of table.

Supply and utilization of major crops¹ —Continued

	Domestic measure ²				Metric measure ²			
	1979/80				1979/80			
	1977/78	1978/79 estimated	Projected	Probable variability [*]	1977/78	1978/79 estimated	Projected	Probable Variability [*]
Cotton:⁷								
Area								
	Mil. acres				Mil. hectares			
Planted	13.7	13.4	14.1	—	5.54	5.41	5.69	—
Harvested	13.3	12.4	13.0	—	5.37	5.01	5.27	—
Yield								
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	520	421	525	—	.58	.47	.59	—
Stocks								
	Mil. 480-lb. bales				Mil. metric tons			
Beginning stocks ⁸	2.9	5.3	4.0	+0 to -0.1	.64	1.16	.87	+0.02 to -.02
Production	14.4	10.9	14.2	+1.0 to -1.0	3.13	2.36	3.09	+0.22 to -.22
Supply, total ⁹	17.3	16.2	18.2	+1.0 to -1.0	3.77	3.53	3.97	+0.22 to -.22
Mill use	6.5	6.3	6.2	+4 to -4	1.42	1.36	1.35	+0.09 to -.09
Exports	5.5	6.2	6.0	+1.0 to -1.0	1.19	1.35	1.31	+0.22 to -.22
Use, total	12.0	12.5	12.2	+8 to -8	2.61	2.72	2.66	+1.17 to -1.17
Difference unaccounted ¹⁰	(⁶)	.3	(⁶)	—	(⁶)	.7	.02	—
Ending stocks	⁸ 5.3	⁸ 4.0	6.1	+1.0 to -1.0	⁸ 1.16	⁸ .87	1.33	+0.22 to -.22
Price								
	Cts. per lb.				Cts. per kilogram			
Price received by farmers	52.3	¹¹ 58.8	—	—	1.15	¹¹ 1.30	—	—
Price, SLM, 1-1/16 In., spot	52.7	⁶ 61.6	—	—	114.7	⁶ 134.0	—	—

¹ Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ² Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³ Season average estimate. ⁴ Average for beginning of marketing year through August 1979. ⁵ Corn, sorghum, oats, and barley. ⁶ Less than 0.05. ⁷ Upland and extra long staple. ⁸ Based on Census Bureau data. ⁹ Includes imports. ¹⁰ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. ¹¹ Average to January 1, 1979.

*Reflects the "root mean square error" and/or "standard error of estimate" from trend and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

Crops and Products

Feed grains:

	Marketing year ¹			1978						
	1975/76	1976/77	1977/78	Aug	Mar	Apr	May	June	July	Aug p
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.75	2.30	2.26	2.17	2.42	2.53	2.66	2.83	3.00	2.83
Sorghum, No. 2 Yellow, Kansas City (\$/cwt.)	4.46	3.49	3.54	3.41	3.77	3.81	3.92	4.41	4.89	4.44
Barley, feed, Minneapolis (\$/bu.)	2.38	2.35	1.68	1.68	1.86	1.89	1.96	2.16	2.39	2.15
Barley, malting, Minneapolis (\$/bu.) ²	3.52	3.13	2.27	2.19	2.46	2.59	2.73	2.80	2.82	2.67
Exports:										
Corn (mil. bu.)	1,711	1,684	1,948	181	170	188	199	231	223	n.a.
Feed grains (mil. metric tons) ³	50.0	50.6	56.3	52.2	4.9	5.3	5.8	6.1	6.0	n.a.
	Marketing year ¹			1978				1979		
	1975/76	1976/77	1977/78	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept p
Corn:										
Stocks, beginning (mil. bu.)	361	399	884	5,503	3,877	2,837	1,104	6,199	4,421	n.a.
Domestic use:										
Feed (mil. bu.)	3,592	3,587	3,697	1,083	568	792	1,397	1,223	695	n.a.
Food, seed, ind. (mil. bu.)	490	513	548	129	102	197	137	130	108	n.a.
Feed grains:³										
Stocks, beginning (mil. metric tons)	15.3	17.2	29.9	170.9	120.3	88.5	52.1	190.4	135.1	n.a.
Domestic use:										
Feed (mil. metric tons)	115.6	112.5	117.7	33.9	17.4	26.9	44.0	38.2	21.0	n.a.
Food, seed, ind. (mil. metric tons)	17.1	17.9	18.8	4.4	4.0	6.5	4.5	4.5	3.7	n.a.

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better Plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. p Preliminary.

Food grains:

	Marketing year ¹			1978						
	1975/76	1976/77	1977/78	Aug	Mar	Apr	May	June	July	Aug
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	3.74	2.88	2.72	3.14	3.52	3.53	3.64	4.17	4.34	4.12
Wheat, DNS, Minneapolis (\$/bu.) ²	3.74	2.96	2.66	2.96	3.18	3.29	3.62	4.23	4.31	4.10
Flour, Kansas City (\$/cwt.)	9.25	7.21	6.60	7.58	8.18	8.12	8.80	9.08	10.39	10.09
Flour, Minneapolis (\$/cwt.)	10.41	8.34	7.34	7.94	8.31	8.30	9.01	9.29	10.64	10.51
Rice, S.W. La. (\$/cwt.) ³	17.20	14.60	21.30	18.75	18.60	21.50	21.50	21.50	21.50	21.50
Wheat:										
Exports (mil. bu.)	1,173	950	1,124	139	80	81	86	110	139	—
Mill grind (mil. bu.)	602	628	616	56	52	50	55	50	—	—
Wheat flour production (mil. cwt.)	268	279	275	25	23	22	25	23	—	—
	Marketing year ¹			1978				1979		
	1975/76	1976/77	1977/78	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat:										
Stocks, beginning (mil. bu.)	435	665	1,112	1,994	1,528	1,177	2,137	1,632	1,225	922
Domestic use:										
Food (mil. bu.)	588	588	586	146	94	192	154	147	99	—
Feed and seed (mil. bu.) ⁴	134	160	264	42	19	154	43	36	37	—
Exports (mil. bu.)	1,173	950	1,124	279	238	493	309	224	168	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Vegetables:

	Annual			1978						
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.90	5.52	5.20	4.87	5.29	5.50	4.22	4.50	3.98	4.02
Iceberg lettuce (\$/ctn.) ¹	3.57	3.23	6.10	2.79	5.92	5.82	3.03	3.24	4.02	5.49
Tomatoes (\$/ctn.) ²	6.44	7.21	6.65	3.97	9.57	11.40	8.49	8.43	4.77	6.34
Wholesale price index, 10 canned veg. (1967=100)										
	160	170	175	179	190	190	190	190	192	192
Grower price index, fresh commercial veg. 9 (1967=100)										
	173	197	209	171	255	210	204	203	189	205

¹ Std. carton 24's, f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Fruit:

	Annual			1978						
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug
Wholesale price indexes:										
Fresh fruit (1967=100)	160.4	177.5	217.6	242.3	226.4	238.0	230.7	232.9	238.6	262.6
Dried fruit (1967=100)	234.9	338.4	355.3	307.1	578.6	578.6	577.5	578.6	578.6	572.5
Canned fruit and juice (1967=100)	174.4	190.4	213.9	216.9	234.3	236.3	237.1	238.3	239.3	240.5
Frozen fruit and juice (1967=100)	156.2	196.5	232.0	230.1	246.4	246.5	246.5	246.5	249.1	249.8
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ^{1 3}	7.46	9.11	n.a.	n.a.	10.80	10.50	10.26	10.25	11.88	n.a.
Pears, Yakima Valley (\$/box) ^{2 3}	7.35	5.94	n.a.	n.a.	10.66	13.40	16.59	n.a.	n.a.	n.a.
Oranges, U.S. avg. (\$/box)	6.72	7.44	10.72	10.63	12.59	11.98	12.19	14.72	13.45	12.40
Grapefruit, U.S. avg. (\$/box)	5.76	6.27	6.46	9.48	7.32	7.87	9.22	11.13	15.60	12.35
Stocks, beginning:										
Fresh apples (mil. lb.)	*2,569.3	*2,249.0	*2,138.0	14.8	1,535.2	1,049.2	676.4	351.1	167.7	39.2
Fresh pears (mil. lb.)	*162.3	*211.6	*162.1	4.2	83.9	49.2	22.2	5.0	n.a.	2.2
Frozen fruit (mil. lb.)	*558.3	*538.9	*607.8	530.9	454.1	397.1	368.7	363.6	407.5	477.2
Frozen fruit juices (mil. lb.)	*967.0	*844.1	*613.0	1,063.0	1,255.7	1,281.9	1,332.0	1,426.1	1,505.7	1,352.0

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-125's. ² D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's. ³ Control atmosphere. ⁴ Stocks as of January 1 of year listed. n.a.=not available.

Cotton:

	Marketing year ¹			1978						
	1975/76	1976/77	1977/78	Aug	Mar	Apr	May	June	July	Aug
U.S. Price, SLM, 1-1/16 in. (cts./lb.) ²	58.0	70.9	52.7	59.8	58.7	58.1	60.9	63.4	61.9	62.1
Northern Europe prices:										
Index (cts./lb.) ³	65.3	81.7	70.6	73.2	75.3	73.5	75.2	76.2	76.8	77.5
U.S., SM 1-1/16 in. (cts./lb.) ⁴	71.4	82.4	66.0	74.5	74.3	72.9	76.5	77.1	77.1	77.9
U.S. mill consumption (thou. bales)	7,227.7	6,674.4	6,462.5	478.6	526.7	608.4	504.1	509.4	515.1	—
Exports (thou. bales)	3,311.3	4,783.6	5,484.1	553.2	605.7	639.6	573.2	648.8	433.4	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Fats and oils:

	Marketing year ²			1978						
	1975/76	1976/77	1977/78	Aug	Mar	Apr	May	June	July	Aug
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	5.25	7.36	6.11	6.43	7.47	7.30	7.16	7.67	7.49	—
Crushings (mil. bu.)	865.1	790.2	927.7	73.9	89.0	83.3	86.9	82.8	80.6	—
Processing margin (\$/bu.) ²	.16	.19	.29	.30	.16	.30	.37	.50	.36	—
Exports (mil. bu.)	555.1	564.1	723.4	39.3	83.5	67.7	47.0	40.7	32.7	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	18.3	23.9	23.8	26.3	26.9	26.7	27.8	27.4	29.1	29.1
Production (mil. lb.)	9,629.8	8,577.9	10,291.4	815.8	982.2	939.6	964.7	930.5	899.8	—
Domestic disappearance (mil. lb.)	7,906.1	7,454.4	8,192.4	733.6	714.4	758.3	798.7	745.0	—	—
Exports (mil. lb.)	975.8	1,547.5	2,137.1	115.2	206.5	198.2	110.4	305.6	—	—
Stocks, beginning (mil. lb.)	560.6	1,250.6	766.6	820.8	942.8	1,004.2	987.3	1,043.0	922.9	914.8
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	147.77	199.80	161.87	162.90	194.60	190.65	188.00	209.60	201.60	—
Production (thou. ton)	20,754.2	18,488.1	22,398.9	1,757.9	2,121.6	1,989.0	2,065.1	1,979.3	1,898.1	—
Domestic disappearance (thou. ton)	15,551.6	14,000.8	16,287.2	1,315.8	1,204.7	1,455.1	1,639.0	1,474.6	1,331.3	—
Exports (thou. ton)	5,144.8	4,559.2	7,542.7	479.8	903.7	507.4	453.6	502.9	543.7	—
Stocks, beginning (thou. ton)	358.3	354.9	228.3	262.6	225.0	238.2	264.7	237.2	239.2	262.1
Margarine, wholesale price, Chicago (cts./lb.)	37.9	31.4	39.1	45.7	50.5	49.8	48.9	49.3	50.5	—

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Sugar:

	Annual			1978						
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug
Wholesale price, N.Y. (\$/cwt.) ¹	13.31	³ 10.99	—	—	—	—	—	—	—	—
U.S. deliveries (thou. short tons) ^{1 2}	10,856	11,207	10,849	876	960	808	890	944	917	⁴ 1,040

¹ Raw value. ² Excludes Hawaii. ³ Ten month average. ⁴ Preliminary.

Tobacco:

	Annual			1978						
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug
Prices at auctions:										
Flue-cured (cts./lb.) ¹	110.4	117.6	135.0	131.8	n.a.	n.a.	n.a.	n.a.	127.9	139.4
Burley (cts./lb.) ¹	114.2	120.0	131.0	n.a.	123.0	n.a.	n.a.	n.a.	n.a.	n.a.
Domestic consumption ²										
Cigarettes (bil.)	617.9	592.0	³ 614.2	54.3	58.8	48.4	53.2	52.4	n.a.	n.a.
Large cigars (mil.)	5,265	4,874	³ 4,605	378.0	428.0	335.9	395.5	414.1	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. ³ Subject to revision.

Coffee:

	Annual			1978			1979			
	1976	1977	1978 p	Aug	Mar	Apr	May	June	July	Aug p
Composite green price, N.Y. (cts./lb.)	142.48	256.38	162.32	143.77	135.55	142.60	151.31	191.21	200.26	194.40
Imports, green bean equivalent (mil. lb.) ¹	2,717	1,974	2,448	149	221	280	209	225	215	*200
	Annual			1978			1979			
	1976	1977	1978	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-June p	Jul-Sep p	*Oct-Dec p
Roastings (mil. lb.) ²	2,519	1,892	2,156	470	500	595	616	569	535	*650

¹ Green and processed coffee. ² Instant soluble and roasted coffee. P Preliminary. * Forecast.

General Economic Data

Gross national product and related data

	Annual			1977		1978				1979	
	1976	1977	1978	III	IV	I	II	III	IV	I	II
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,702.2	1,899.5	2,127.6	1,930.5	1,971.3	2,011.3	2,104.2	2,159.6	2,235.2	2,292.1	2,329.8
Personal consumption expenditures	1,089.9	1,210.0	1,350.8	1,220.6	1,259.7	1,287.2	1,331.2	1,369.3	1,415.4	1,454.2	1,475.9
Durable goods	157.4	178.8	200.3	178.9	186.4	185.3	200.3	203.5	212.1	213.8	208.7
Nondurable goods	443.9	481.3	630.6	483.0	499.2	506.9	521.8	536.7	558.1	571.1	581.2
Clothing and shoes	75.9	82.4	91.2	82.8	87.9	85.4	89.9	92.7	96.8	95.5	96.9
Food and beverages	227.1	246.7	271.7	248.0	254.4	260.6	267.7	274.5	283.9	292.9	296.2
Services	486.5	549.8	619.8	558.7	574.1	596.0	609.1	629.1	645.1	669.3	686.0
Gross private domestic investment	243.0	303.3	351.5	315.7	316.9	327.0	352.3	356.2	370.5	373.8	395.4
Fixed investment	233.0	281.3	329.1	288.2	298.5	304.1	326.5	336.1	349.8	354.6	361.9
Nonresidential	164.9	189.4	221.1	193.2	198.6	203.7	218.8	225.9	236.1	243.4	249.1
Residential	68.1	91.9	108.0	95.0	99.9	100.5	107.7	110.2	113.7	111.2	112.9
Change in business inventories	10.0	21.9	22.3	27.5	18.5	22.8	25.8	20.0	20.6	19.1	33.4
Net exports of goods and services	8.0	-9.9	-10.3	-6.3	-18.1	-22.2	-7.6	-6.8	-4.5	4.0	-8.1
Exports	163.3	175.9	207.2	180.1	174.2	184.4	205.7	213.8	224.9	238.5	243.7
Imports	155.4	185.8	217.5	186.4	192.3	206.6	213.3	220.6	229.4	234.4	251.9
Government purchases of goods and services	361.3	396.2	435.6	400.5	412.8	419.4	428.3	440.9	453.8	460.1	466.6
Federal	129.7	144.4	152.6	145.6	151.2	150.9	148.2	152.3	159.0	163.6	161.7
State and local	231.6	251.8	283.0	254.9	261.6	268.5	280.1	288.6	294.8	296.5	304.9

1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)

Gross national product	1,273.0	1,340.5	1,399.2	1,353.9	1,361.3	1,367.8	1,395.2	1,407.3	1,426.6	1,430.6	1,422.3
Personal consumption expenditures	820.6	861.7	900.8	863.7	880.9	882.7	894.8	905.3	920.3	921.8	915.0
Durable goods	126.6	138.2	146.7	138.2	142.4	139.3	147.8	147.5	152.1	150.2	144.8
Nondurable goods	321.5	332.7	343.3	332.1	340.0	337.3	339.4	344.7	351.9	348.1	344.1
Clothing and shoes	64.5	67.4	72.7	67.4	71.2	68.9	71.5	73.8	76.4	75.0	75.1
Food and beverages	159.9	166.5	167.1	166.4	168.7	167.8	165.5	166.6	168.6	167.2	166.4
Services	372.5	390.8	410.8	393.3	398.5	406.1	407.6	413.1	416.3	423.5	426.1
Gross private domestic investment	173.4	200.1	214.3	206.7	203.0	209.0	216.8	214.0	217.4	217.2	211.7
Fixed investment	166.8	186.9	200.2	190.1	191.7	192.6	201.2	201.8	205.5	204.9	203.5
Nonresidential	119.0	129.3	140.1	130.8	131.7	133.1	140.3	141.6	145.5	147.2	146.9
Residential	47.8	57.7	60.1	59.3	60.1	59.4	60.9	60.2	60.0	57.7	56.7
Change in business inventories	6.6	13.1	14.1	16.6	11.3	16.5	15.6	12.2	12.0	12.3	18.1
Net exports of goods and services	15.8	10.3	11.0	13.2	5.8	5.3	12.3	13.3	12.9	17.0	13.2
Exports	96.1	98.4	108.9	100.5	97.3	100.7	109.2	111.9	113.8	117.0	116.0
Imports	80.4	88.2	97.9	87.3	91.4	95.4	96.9	98.5	101.0	100.0	102.9
Government purchases of goods and services	263.3	268.5	273.2	270.3	271.5	270.7	271.3	274.7	276.0	274.7	272.4
Federal	96.4	100.6	98.6	101.8	101.8	99.9	96.6	98.5	99.3	101.1	98.1
State and local	166.9	167.9	174.6	168.5	169.8	170.9	174.7	176.2	176.6	173.6	174.3

New plant and equipment expenditures (\$ bil.)	120.49	135.80	153.09	140.38	138.11	144.25	150.76	155.41	163.96	165.94	170.30
Implicit price deflator for GNP (1972=100)	133.71	141.70	152.05	142.59	144.82	147.05	150.82	153.45	156.68	160.22	163.81

Disposable income (\$ bil.)	1,184.5	1,305.1	1,458.4	1,323.2	1,361.2	1,395.0	1,437.3	1,476.5	1,524.8	1,572.2	1,602.7
Disposable income (1972 \$ bil.)	891.8	929.5	972.6	936.3	951.8	956.6	966.1	976.2	991.5	996.6	993.0
Per capita disposable income (\$)	5,504	6,017	6,672	6,096	6,257	6,402	6,584	6,749	6,955	7,157	7,275
Per capita disposable income (1972 \$)	4,144	4,285	4,449	4,313	4,375	4,390	4,426	4,462	4,522	4,536	4,510

U.S. population, tot. incl. military abroad (mil.)	215.1	216.8	218.5	217.1	217.5	217.9	218.3	218.8	219.2	219.6	220.1
Civilian population (mil.)	213.0	214.7	216.4	214.9	215.4	215.8	216.2	216.6	217.1	217.5	218.0

See footnotes at end of next table.

Selected monthly indicators

	Annual			1978		1979				
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	130.1	138.2	146.1	148.0	153.0	150.8	152.4	152.4p	152.6p	150.9p
Manufacturing (1967=100)	130.3	138.4	146.8	148.6	154.5	151.6	153.8	153.8p	153.8p	151.9p
Durable (1967=100)	122.3	130.0	139.7	141.8	148.6	144.6	147.6p	147.6p	146.3p	144.4p
Nondurable (1967=100)	141.8	150.5	156.9	158.4	163.0	161.7	162.8	162.7	163.3p	162.7
Leading economic indicators ^{1,3} (1967=100)	128.8	136.4	141.9	142.0	143.1	139.9	140.2	139.8	139.3	—
Employment ⁴ (Mil. persons)	87.5	90.5	94.4	94.7	96.8	96.2	96.3	96.8	97.2	96.9
Unemployment rate ⁴ (%)	7.7	7.0	6.0	5.9	5.7	5.8	5.8	5.6	5.7	6.0
Personal income ¹ (\$bil. annual rate)	1,381.6	1,531.6	1,717.4	1,741.3	1,872.1	1,880.7	1,891.6	1,905.1p	1,932.9p	1,938.1p
Hourly earnings in manufacturing ^{4,5} (\$)	5.22	5.67	6.17	6.16	6.55	6.54	6.62	6.66	6.71	6.68
Money stock (daily average) ² (\$bil.)	6313.8	6338.7	6361.2	356.7	359.0	364.3	364.5	369.0p	372.1p	374.4p
Time and savings deposits (daily average) ² (\$bil.)	6489.2	6544.4	6611.2	587.4	619.5	620.6	619.9	620.3	626.6	634.1p
Three-month Treasury bill rate ¹ (%)	4.989	5.265	7.221	7.036	9.457	9.493	9.579	9.045	9.262	9.450
Aaa corporate bond yield (Moody's) ^{6,7} (%)	8.43	8.02	8.73	8.69	9.37	9.38	9.50p	9.29p	9.20	9.22
Interest rate on new home mortgages ⁸ (%)	8.99	9.01	9.54	9.70	10.30	10.36	10.47	10.66	10.78	11.02p
Housing starts, private (including farm) (thou.)	1,537.5	1,987.1	2,020.3	2,004	1,786	1,745	1,835	1,923	1,791p	1,783p
Auto sales at retail, total ¹ (mil.)	10.1	11.2	11.3	11.8	12.6	11.1	11.1	9.4	10.5	11.0p
Business sales, total ¹ (\$bil.)	200.8	225.1	254.7	259.2	286.7	277.5	296.6	297.2	287.5p	—
Business inventories, total ¹ (\$bil.)	309.2	337.8	379.4	366.6	391.7	397.3	403.3	405.9	413.8p	—
Sales of all retail stores (\$bil.) ⁹	54.6	60.3	66.6	66.2	72.0	71.4	71.9	71.8	72.3p	72.8p
Durable goods stores (\$bil.)	18.1	20.7	23.2	23.0	25.4	24.6	24.9	24.3	24.4p	24.6p
Nondurable goods stores (\$bil.)	36.5	39.1	43.4	43.2	46.6	46.8	47.2	47.5	47.9p	48.2p
Food stores (\$bil.)	12.3	13.2	14.5	14.6	15.6	15.9	15.9	16.3	16.2p	16.2p
Eating and drinking places (\$bil.)	4.8	5.3	5.8	5.9	6.6	6.4	6.1	6.1	6.2p	6.2p
Apparel and accessory stores (\$bil.)	2.7	2.9	3.1	3.1	3.4	3.3	3.4	3.3	3.5p	3.5p

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences, p, Preliminary.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1978		1979				
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	3.65	2.85	3.56	3.53	3.88	3.85	3.98	4.55	4.86	4.71
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.91	2.49	2.66	2.43	2.84	2.89	2.93	3.13	3.39	3.10
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.73	2.30	2.48	2.32	2.56	2.56	2.64	2.81	3.30	2.92
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.07	7.38	7.04	6.81	7.98	7.74	7.63	8.09	8.18	7.74
Soybean oil, Decatur (cts./lb.)	18.05	23.69	25.79	26.31	26.90	26.70	27.80	27.41	29.07	29.21
Soybean meal, Decatur (\$/ton)	155.82	192.17	170.71	162.90	194.50	191.10	188.00	209.60	201.68	188.98
Cotton, 10 market avg. spot (cts./lb.)	67.70	60.48	58.31	59.86	58.70	58.05	60.90	63.38	61.87	62.08
Tobacco, avg. Price of auction (cts./lb.)	105.73	114.24	121.74	124.00	128.80	130.20	131.20	131.20	127.10	132.80
Rice, f.o.b. mill, Houston (\$/cwt.)	16.17	16.96	20.61	19.00	18.20	21.00	21.00	21.00	21.00	21.00
Inedible tallow, Chicago (cts./lb.)	14.98	17.13	19.74	16.25	25.60	26.20	n.a.	n.a.	n.a.	n.a.
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	1.42	2.41	1.66	1.41	1.31	1.39	1.50	1.86	2.03	1.96
Sugar, N.Y. spot (cts./lb.)	13.31	10.99	13.92	13.29	15.53	14.30	14.33	14.61	15.58	15.92
Cow meat, f.o.b. port of entry (cts./lb.)	71.69	68.42	97.17	91.86	137.50	143.00	136.43	124.30	113.32	116.78
Rubber, N.Y. spot (cts./lb.)	39.59	41.59	50.19	52.21	63.00	66.90	65.66	67.88	66.57	64.90
Cocoa beans, N.Y. (\$/lb.)94	1.72	1.53	1.51	1.49	1.43	1.47	1.52	1.40	1.36
Bananas, f.o.b. port of entry (\$/40-lb. box)	4.67	5.01	5.20	4.39	5.73	6.66	6.66	6.86	6.08	5.41
Canned Danish hams, ex-warehouse N.Y. (\$/lb.) ..	1.75	1.85	2.02	1.99	2.09	2.09	2.09	2.00	2.00	2.00

n.a. = not available.

U.S. agricultural exports

	October-July				July			
	1977/78	1978/79	1977/78	1978/79	1978	1979	1978	1979
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	92,505	114,538	—	—	9,014	10,027
Meat and preps., excl. poultry (mt)	329	327	545,329	698,701	27	29	49,258	66,475
Dairy products, excl. eggs	—	—	136,010	96,512	—	—	13,909	9,578
Poultry and poultry products	—	—	274,000	306,673	—	—	22,914	31,960
Grains and preparations	—	—	8,753,976	9,836,655	—	—	1,003,530	1,395,244
Wheat and wheat flour (mt)	25,784	25,251	3,145,274	3,603,715	2,975	3,710	380,751	567,048
Rice, milled (mt)	1,489	1,726	598,434	668,891	149	167	63,792	68,128
Feed grains (mt)	45,644	47,924	4,686,766	5,229,901	4,960	6,013	534,756	725,878
Other	—	—	323,502	334,148	—	—	24,231	34,190
Fruits, nuts, and preparations	—	—	1,030,603	1,226,330	—	—	101,747	116,062
Vegetables and preparations	—	—	552,438	649,597	—	—	52,955	56,611
Sugar and preps., incl. honey	62	11	58,221	61,836	1	2	5,932	7,074
Coffee, tea, cocoa, spices, etc. (mt)	46	63	146,755	224,657	4	5	13,111	21,439
Feeds and fodders	—	—	1,451,449	1,867,199	—	—	138,341	200,436
Protein meal (mt)	5,353	5,568	988,154	1,232,739	414	523	85,775	127,331
Beverages, excl. distilled alcoholic (hl)	465	592	17,396	22,889	64	75	2,245	3,159
Tobacco, unmanufactured (mt)	229	259	944,548	1,164,932	20	17	89,247	73,432
Hides, skins, and furskins	—	—	696,729	1,120,704	—	—	53,054	83,811
Oilseeds	—	—	4,672,401	5,345,664	—	—	265,266	290,537
Soybeans (mt)	17,584	18,002	4,214,793	4,816,969	944	889	238,567	260,205
Wool, unmanufactured (mt)	3	3	26,470	31,029	(¹)	(¹)	1,352	1,016
Cotton, unmanufactured (mt)	1,158	1,183	1,436,637	1,622,501	110	98	133,264	134,239
Fats, oils, and greases (mt)	1,097	1,098	468,426	583,627	91	120	43,407	69,096
Vegetable oils and waxes (mt)	1,278	1,326	788,836	910,586	135	123	88,595	88,148
Rubber and allied gums (mt)	11	14	14,095	15,769	1	1	1,396	1,340
Other	—	—	540,214	612,309	—	—	45,270	55,484
Total	—	—	22,647,038	26,512,708	—	—	2,133,807	2,715,173

¹ Less than 500. NOTE: 1 metric ton (mt) = 2,204.622 lb., 1 hectoliter (hl) = 100 liters = 26.42008 gal.

U.S. agricultural exports by regions

Region ¹	October-July				Change from year-earlier	
	1977/78	1978/79	1978	1979	Oct-July 1978/79	July 1979
	\$ Mil.				Pct.	
Western Europe	7,210	8,040	537	544	+12	+1
Enlarged European Community	5,631	6,314	438	420	+12	-4
Other Western Europe	1,579	1,726	99	124	+9	+25
Eastern Europe and USSR	2,407	2,651	222	463	+10	+109
USSR	1,617	1,517	122	309	-6	+153
Eastern Europe	790	1,134	100	154	+44	+54
Asia	7,686	9,805	742	1,023	+28	+38
West Asia	1,050	1,208	116	140	+15	+21
South Asia	488	518	37	39	+6	+5
East and Southeast Asia, ex. Japan and China	2,402	3,004	249	297	+25	+19
Japan	3,488	4,291	279	477	+23	+71
China	257	784	59	71	+205	+20
Latin America and Caribbean	2,173	2,661	261	310	+22	+19
Brazil	355	326	47	50	-8	+6
Mexico	536	757	78	63	+41	-19
Canada, excluding transshipments	1,281	1,382	134	126	+8	-6
Canadian transshipments	468	587	66	82	+25	+24
Africa	1,294	1,249	161	154	-3	-4
North Africa	772	682	102	77	-12	-25
Other Africa	522	567	59	77	+9	+31
Oceania	128	137	12	13	+7	+8
Total ²	22,647	26,513	2,134	2,715	+17	+27

¹ Not adjusted for transshipments. ² Totals may not add due to rounding.

U.S. agricultural imports

	October-July				July			
	1977/78	1978/79	1977/78	1978/79	1978	1979	1978	1979
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry ¹	—	—	280,186	318,635	—	—	20,621	17,441
Meat and preps., excl. poultry (mt)	727	878	1,313,292	2,153,603	73	76	152,716	204,409
Beef and veal	581	708	876,904	1,648,341	57	61	106,026	158,335
Pork	123	140	390,663	434,760	13	12	40,078	38,280
Dairy products, excl. eggs	—	—	266,639	318,954	—	—	25,425	34,117
Poultry and poultry products	—	—	78,581	40,475	—	—	4,548	4,335
Grains and preparations	—	—	157,053	185,961	—	—	21,370	19,022
Wheat and flour	(¹)	1	174	327	(¹)	(¹)	76	86
Rice	2	2	871	1,282	(¹)	(¹)	122	123
Feed grains	158	179	17,391	21,207	27	30	3,256	3,685
Other	—	—	138,517	163,145	—	—	17,916	15,128
Fruits, nuts, and preparations	—	—	844,482	1,089,668	—	—	101,200	103,693
Bananas, fresh	1,883	1,937	279,009	313,909	237	160	35,368	26,693
Vegetables and preparations	—	—	688,554	695,516	—	—	43,006	45,034
Sugar and preparations, incl. honey	—	—	862,406	913,417	—	—	128,668	101,027
Sugar, cane or beet (mt)	3,588	3,597	723,581	714,455	558	327	110,356	72,292
Coffee, tea, cocoa, spices, etc. (mt)	1,253	1,489	4,570,577	4,587,947	126	135	412,995	429,359
Coffee, green (mt)	803	1,010	3,016,655	2,985,381	79	96	259,737	304,583
Cocoa beans (mt)	154	173	504,781	578,573	16	12	46,792	37,733
Feeds and fodders	—	—	56,050	65,269	—	—	5,324	7,238
Protein meat (mt)	7	16	1,376	2,699	2	2	331	308
Beverages, incl. distilled alcoholic (hl)	5,467	6,822	562,237	751,556	719	845	75,489	91,265
Tobacco, unmanufactured (mt)	126	135	309,279	327,067	16	13	38,633	32,708
Hides, skins, and furskins	—	—	208,611	271,158	—	—	14,173	18,831
Oilseeds	—	—	42,267	48,326	—	—	4,480	7,307
Soybeans (mt)	(¹)	(¹)	43	47	—	—	—	—
Wool, unmanufactured (mt)	20	22	58,352	65,083	2	2	6,502	6,310
Cotton, unmanufactured (mt)	1	1	1,695	1,559	(¹)	(¹)	14	34
Fats, oils, and greases (mt)	7	8	4,308	5,432	1	1	558	749
Vegetable oils and waxes (mt)	737	622	386,830	487,527	69	37	43,674	35,150
Rubber and allied gums (mt)	630	679	534,717	735,159	49	57	43,091	67,775
Other	—	—	505,539	542,360	—	—	45,978	53,670
Total	—	—	11,731,655	13,604,672	—	—	1,186,445	1,279,474

¹ Less than 50,000. NOTE: 1 metric ton (mt) = 2,204.622 lb.; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-July		July	
	1977/78	1978/79	1978	1979
	\$ Mil.			
Agricultural exports ¹	22,646	26,513	2,134	2,715
Nonagricultural exports ²	84,936	111,591	8,635	11,775
Total exports ³	107,582	138,104	10,769	14,490
Agricultural imports ⁴	11,739	13,611	1,187	1,281
Nonagricultural imports ⁴	125,920	144,961	13,794	15,848
Total imports ⁴	137,659	158,572	14,981	17,129
Agricultural trade balance	10,907	12,902	947	1,434
Nonagricultural trade balance	-40,984	-33,370	-5,159	-4,073
Total trade balance	-30,077	-20,468	-4,212	-2,639

¹ Domestic exports (F.A.S. value). ² Domestic and foreign exports excluding Department of Defense grant-aid shipments, (F.A.S. value). ³ Imports for consumption (customs value). ⁴ General imports, (customs value).

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